

The week

Petralsgas on "fast track"

PETRALGAS became officially subject to "fast track" treatment under the National Development Act. Next step: a Planning Tribunal inquiry.

The Marginal Lands Board may be merged with the Rural Bank. Meanwhile Government decided on a three-man commission of inquiry into the Fitzgerald controversy.

THE Duke of Marlborough Hotel brought Lion Breweries and Dominion Breweries before the Commerce Commission for their refusal to supply beer in cans and bottles. The hearing was adjourned.

A QUICK settlement with FoL nudging gave the Drivers' Federation a 13.5 per cent wage increase. Road transport rates are likely to go up as a result.

THE Liqui-Gas consortium suffered a set-back when the price of LPG soared on the world market. Its plans to import the fuel from Australia were frustrated.

THE Broadcasting Corporation hopes to set up a morning television service for single-channel area viewers.

NEW postal charges for newspapers and magazines may be reviewed by the Government if representations by publishers are accepted.

SINKING container revenue has forced the Auckland Harbour Board to try to save at least \$1.3 million. The Wiri container base is likely to be shut down.

EARLIER court hearings were sought by the United States Justice Department to ease its way in attempting to break the conference lines monopoly.

THE Government will give assistance for the building of "granny" flats by local authorities, as an addition to pensioner housing schemes.

THE controversial State Services Conditions of Employment Amendment Bill was dropped.

THE National Parks Bill may be amended.

A COMMISSION of inquiry will look into the de-manning of lighthouses.

THE Labour Party will be referred to the Human Rights Commission by the Social Credit League for publishing a pamphlet which the league claims makes it appear fascist and anti-Semitic.

PRIME Minister Rob Muldoon defended the right of Government MPs to speak in support of the Springbok tour despite the Gleneagles Agreement.

THE Public and Administrative Law Reform Society report on commissions of inquiry recommended that people being accused before an inquiry should be able to be heard and anyone being heard or appearing at an inquiry should pay or receive costs.

THE Royal Society of New Zealand cleared the controversial herbicide 245-T.

A ROW over press freedom began when Prime Minister Rob Muldoon refused to allow Listener columnist Tom Scott to accompany him on his forthcoming trip to China and India.

AUSTRALIA got a tough budget with nothing significantly affecting the person in the street.

THE Republican presidential candidate Ronald Reagan promised to build up American military strength *vis-à-vis* the Soviet Union's.

FORMER Australian Cabinet Minister Ian Sinclair, after being cleared of charges against family companies was reinstated as Trade Minister.

PAPUA-New Guinea troops took over from French-British forces at the rebel island of Espiritu Santo to deter further rebellion.

THE libel action filed by Alex Harvey Industries against the television programme "Fair Go" was settled out of court. The company received an apology from "Fair Go".

POLISH trade unionists demands for major changes in the country's communist system were backed by virtual paralysis from strikes of the northern Gdansk region.

THE American nuclear warship USS Truxton will berth at Wellington late next month.

The Week ahead

MONDAY: Dental Association conference in Dunedin.

TUESDAY: Ecological Societies' annual conference at Victoria University.

Labour and education select committee looks at the Sky Trading Hours Amendment Bill.

Maori Affairs select committee hears petitions.

Statutes Revision select committee looks at the Wanganui Computer Amendment Bill.

Rheem NZ's annual general meeting in Wellington.

WEDNESDAY: Land and agriculture select committee looks at the National Parks Bill.

John Webster & Co's annual general meeting in Auckland.

Morrison-PIM Holdings' annual general meeting in Auckland.

THURSDAY: Opened Research Society annual conference at Auckland University.

Airwork NZ's annual general meeting in Christchurch.

FRIDAY: Cable-TV-Dowling annual general meeting.

Chentery Holdings' annual general meeting in Auckland.

The business week

Ampol Exploration Ltd appointed Geoffrey Hall and Ronald Virgo to the board.

Arthur Barnetts Ltd reported an unaudited tax-paid profit of \$737,600 for the year to June 30 (\$662,800 last year). A final dividend of 10 per cent is payable.

Bougoinville Copper Ltd reported an unaudited tax-paid profit of (in Papua New Guinean kina) \$K38,049,000 for the six months to June 30, (\$K37,676,000 same period last year). An interim dividend of 8 toea is payable on November 6.

Hauraki Enterprises Ltd appointed Michael Wall to the board.

Lloyds Bank Ltd appointed Sir John Greensborough KBE to the board.

Network Finance Ltd reported an audited tax-paid profit of \$A2,201,000 for the year to June 30 (\$A1,174,000 last year). A final dividend of 3.75c is payable on August 29.

Placer Development Ltd reported an unaudited tax-paid profit of \$57,411,000 for the six months to June 30 (\$75,012,000 same period last year).

Economic indicators

RETAIL sales for the first quarter were up 20.4 per cent over the same quarter last year.

THE general price index for the June quarter recorded an increase of 23.2 per cent compared with a year ago. The three industrial groups recording the highest increases were chemicals, petrol and local government (8.6 per cent), and non-metallic mineral products (7.8 per cent).

A LEVEL INDUSTRIAL SITE

OF 1.89 HECTARES (4.66 ACRES) VACANT — READY FOR DEVELOPMENT WITH PLANS OF 3718 SQ. METRES (40,000 SQ. FT.)

WAREHOUSE AVAILABLE FOR INSPECTION CORNER SITE HAS FRONTAGE OF 167 METRES (517 FT) AND 98 METRES (324 FT) OBVIOUSLY CAPABLE OF STAGED DEVELOPMENT OR SUBDIVISION IF NOT REQUIRED IN ONE LINE

SPECIAL TERMS AVAILABLE ON LOW CASH DEPOSIT — INTEREST 8% P.A. Site inspection and Plans available through the Sole Agents

190 Lambton Quay Tel 729-319 A/Hrs 738-429

S. GEORGE & CO. LTD. NATHAN & CO. LTD.



N.Z. Distributors James Aviation Limited Private Bag, Hamilton New Zealand. Telex 21825. Telephone 436-138 Hamilton, 2988-021 Auckland.

James Aviation Ltd Aircraft Sales Division Private Bag, Hamilton

I am interested in the facts regarding Beechcraft corporate aircraft operation.

Name

Address

Position

Phone



Isn't it time you investigated Beechcraft

Hundreds of companies have already discovered how Beechcraft company aircraft permit better territory coverage, greater convenience in planning, saved executive man-hours and lower travel expenses.

You get business efficiency in a comfortable and roomy working atmosphere.

No other form of transportation can offer these advantages to your company especially where regular travel is involved.

You go where you want, when you want and return when you're ready.

Consider also the advantages to a company where the non-availability of urgently required spare or service could mean thousands of dollars in lost production, lost contracts.

The Beechcraft company aircraft planes at your disposal an immediate company courier service.

Sound business sense in itself.

No pilot? No problem! Pilots and maintenance can be arranged on a contractual basis.

Beechcraft corporate aircraft operation is a reality, and we would like you to examine the facts.

Clip the coupon, or write on your company letterhead, for the facts and figures of Beechcraft corporate aircraft operation.

The week

Carpets: more sugar on a sweet carpet deal

by Warren Berryman

THE Australian Government heaped more sugar on an already sweet deal for New Zealand carpet exporters by increasing duties on carpets from three countries.

Under Nafta, New Zealand can export carpet duty-free to Australia, giving favourable terms of access. Canadian carpets under preferential tariff are charged 20 per cent duty; carpets from other countries are charged 30 per cent duty.

Last week the Australian Government decided to further protect its carpet manufacturers. The general carpet tariff

will be increased from 30 to 40 per cent and the preferential tariff from 20 to 30 per cent. A further duty of 10 per cent will be charged on synthetic carpets until January 1981.

This not only shields Australian carpet manufacturers from competition from Canada, Britain and the United States, but improves New Zealand access for its \$30 million a year carpet exports.

Rejecting the free trade proposals put up by the Industries Assistance Commission, the Australian Government has opted for greater protection for its clothing, textile, and footwear industries.

At the Nafta talks two weeks

ago, the New Zealand Government finally approved an inter-industry agreement on carpets worked out between Australia and New Zealand carpet manufacturers last November.

Under the agreement, carpet exports from both countries would be allowed to increase by 400,000 square metres a year — Australia's access to this country would go from 200,000 to 600,000 square metres and New Zealand's access to Australia from 2.1 to 2.5 million square metres.

The deal, very much in New Zealand's favour, hinged on a gentlemen's agreement not to export synthetic carpets to each other's markets.

Stevens-Bremner is not a member of the Carpet Manufacturers' Federation and was not bound by that agreement. Stevens-Bremner wanted to

send synthetic to Australia to gain throughput for its expensive Millitron facility in Foxton — a move that would have wrecked the inter-industry agreement with Australia.

As Trade and Industry Minister Lances Adams-Schneider continued to delay signing the agreement, Australian attitudes hardened. The Australians had orders for the extra 400,000 square metres of carpet, but it could not be sent until Adams-Schneider signed.

Adams-Schneider had his own reputation on the line. Against nearly all advice, and contrary to the wishes of the local carpet industry, he had granted Stevens-Bremner the sole import licence to bring in the controversial Millitron carpet-dyeing machine. The Development Finance Corporation financed Stevens-Bremner.

The wisdom of Adams-Schneider's decision is now in doubt. The Millitron has become something of a \$6 million white elephant. Stevens-Bremner, after recording heavy losses, has laid off staff, sold assets, and reduced its facilities.

Procrastination by Adams-Schneider produced the only sour note in the Nafta carpet deal. In the end, after a delay of more than five months, New Zealand agreed not to send synthetic carpets to Australia.

Trade and Industry Assistant Secretary Ted Woodfield said this was a voluntary action agreed to by New Zealand carpet manufacturers. Presumably Stevens-Bremner agreed to go with the other manufacturers.

But because of Adams-Schneider's procrastination, New Zealand had to concede to

allowing the Australians to carry over unused quota from one year to the next. This means that instead of the 600,000 square metres of carpet allowed under the original agreement, Australia will have access to its market for 856,000 square metres to July 1981.

New Zealand carpet manufacturers fear this carry-over provision may lead to Australian carpet exports here bunching up and hitting the market in large quantities over a short time span and disrupting domestic sales.

New Zealand carpet manufacturers did not want to give the Australians this carry-over provision. But they conceded, in light of Adams-Schneider's procrastination, it was only fair that the Australians be allowed that provision because the build-up in their exports was no fault of their own.

Fair importers defended

by Warren Berryman

IMPORTERS are demanding that import licences issued improperly should be revoked.

Otherwise, they claim, it would be unfair to importers who play the game by the rules.

Bureau of Importers and Exporters president John Averill said: "This has been a difficult time for the Department of Trade and Industry and we don't want to make things more difficult. But if we have evidence that import licences have been issued on the basis of policy we would push to have them withdrawn."

Averill said he and Bureau members thought the import licence system should be scrapped and replaced with a merit system including emergency procedures for quantitative import restrictions and anti-dumping measures.

"The import licensing system is untidy, unhealthy, difficult to administer, tangled,

and overly bureaucratized, Averill said.

The nature of the system led to upsets such as the Poulton affair, he said.

Other importers put their objections more strongly. If an importer gains an import licence through improper means and gets caught, he should have the licence taken away. If an importer obtains a licence through a "departmental mistake" and this "mistake" is discovered, he should also lose the licence, they argued.

Otherwise an import licence obtained by "mistake" or "impropriety" would qualify the importer for a licence of licence holding in perpetuity. Getting caught was a small price to pay for the future profits that were assured with an import licence history, they argued.

"Those who play by the rules often lose the match," one importer said.

"THE SCIENTIFIC BASIS OF PERSONNEL SELECTION"

Professor C.J. Adcock Senior Consultant, GMSL

Orders are invited for the first review paper in Group Management Services' Management Report Program. The program is a series of authoritative papers on various functions of management designed to provide an open forum for discussion.

Forth-coming reviews, which are published quarterly, include "Inventory Control and Materials Management", "Labour Productivity in the 80's", "The Science of Computer Selection" and "Distribution Systems Control". Although you may not be a client, we would welcome piecing you on our Program List. The subscription is free and involves no obligation.

Simply complete and mail: "Management Report Program" Group Management Services (NZ) Ltd, P.O. Box 1685, Wellington.

Name: Title: Organization: Address:

SEMINARS and WORKSHOPS Successful Information Systems of the 1980's will be more responsive to corporate information needs and day-to-day operations.

Infocom has developed its series of seminars and workshops to present an overall Information Engineering methodology which addresses the environment of the 1980's.

Information Engineering systematically progresses from high-level user — end application — oriented stages to more technical data processing stages. The various stages are:

FUNCTIONAL ANALYSIS identifies Corporate Information needs
SECURITY AND AUDIT determines essential Control Mechanisms
DATA ANALYSIS defines Data Structures to accommodate change
RELATIONAL ANALYSIS reduces Development and Maintenance effort
DISTRIBUTED ANALYSIS defines Distribution of Data and Processing
DATA BASE DESIGN designs Performance-optimised data bases

Corporate Management, Auditors and Users will normally participate in the initial stages, while Technical DP personnel will be involved in the later stages. Systems Analysis will be involved primarily in the intermediate stages, but with active participation at other stages also. Each stage is presented in a separate workshop, with intensive case study reinforcement of the methodologies used. These workshops can also be conducted inhouse if required.



Courses are scheduled in Auckland and Wellington on a regular basis. For further information, education schedule and brochures write to:

Pam Spear Infocom New Zealand P.O. Box 51-250, Pakuranga, AUCKLAND.

Enquiries to Auckland Phone (09) 669-600

How to improve your out-of-town business



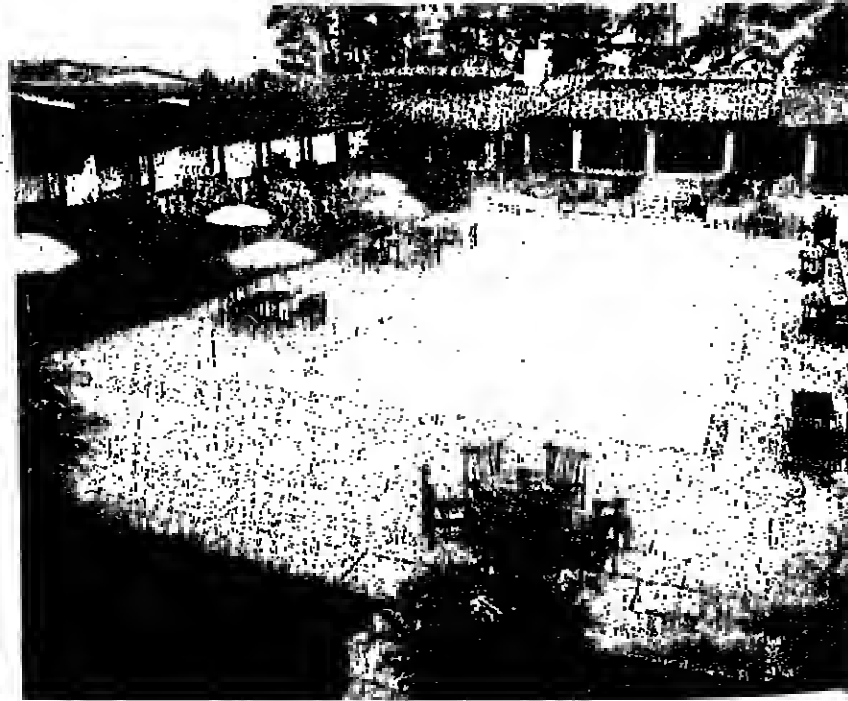
Auckland: South Pacific Hotel



Wellington: Hotel St George



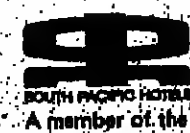
Wellington: Hotel Waterloo



Christchurch: Hotel Russley

A business trip can be tough enough without a hotel that doesn't understand. At South Pacific Hotels, the businessman is Number One. We'll guarantee to improve your efficiency. For a start, our message service is fail-safe. We know that time's important so we can speed up food service or even your check-out just to make it easier for you. Because entertaining can be important, we offer high quality licensed restaurants with outstanding service and food. We've geared ourselves to be efficient because that's what you need. Stay with us and we'll improve your out-of-town efficiency. And that's a promise.

The South Pacific Hotel Network
A better hotel. For better business.



A member of the South Pacific Hotels Group

INSTANT OFFER

Telephone: Auckland 784-860, Wellington 884-784, Christchurch 884-784
Or your local Air New Zealand office or Travel Agent

The week

Harbour board workers question union spending

WELLINGTON Harbour Board workers are leading a revolt against national union secretary Ralph Gerdelan and the national management committee.

The Wellington branch of the Harbour Board Employers' Union is asking other branches to endorse a motion of no confidence in the national office, passed overwhelmingly at a mass meeting recently.

The Wellington branch is refusing to pay fees until the issues are resolved.

The Wellington branch wants to know:

- How a \$23,000 surplus in the 1978 accounts became a \$34,000 deficit last year;
- Why, in light of the union's finances, the national executive agreed to spend \$50,000-\$60,000 on a penthouse office suite in Wellington;
- Why education officer Stephanie Coory, was sacked after less than a year;
- On what authority did the executive appoint Rod Trott assistant secretary;
- How the national secretary, Ralph Gerdelan, can justify spending \$5000-\$6000 in expenses on a month trip to the United States;
- How \$81,000 was spent on travelling and other expenses involved in settling industrial disputes over and above the conciliation grant provided by the Department of Labour;
- And a full account of the union's role in the Trojan House affair, a property deal in Wellington that collapsed with a consortium of unions losing a

substantial deposit.

Also in question is the administration of a \$500,000-plus fund resulting from a containerisation levy and the establishment of a private company, Trade Union Research and Consultancy Ltd. Ture's 10 shares are split equally between national president Walter Jocelyn and Gerdelan.

Last week, Ralph Gerdelan dismissed the allegations as "internal politicking" in the Wellington branch.

All the points raised in that motion had been answered by the national executive, he said.

"I do not think there are any difficulties. We have an open system. There are procedures

in the rules to seek the information."

Questioned about the union's involvement in the Trojan House deal, Gerdelan said the union had an option subject to the consortium completing the purchase.

"We were only looking at a small investment, \$30,000 for three rooms."

He denied that the union had lost money when the purchase fell through, unlike the original union consortium which is still trying to recover a \$46,000 deposit.

Gerdelan dismissed the Wellington branch's complaints as "pre-election sabre rattling."

None of the union's other branches were supporting Wellington, he said.

With the bi-annual national conference scheduled for next March, wouldbe delegates were attempting to find a platform on which to win the election.

A meeting has yet to be arranged between the national management committee and Wellington branch officials.

"We are waiting for them to reply to a letter," Gerdelan said.

Essentially the dispute is over who runs the union — the members or the national secretary. Some of the actions of Gerdelan, endorsed by the national management committee, have been challenged as

bordering on the unconstitutional, particularly the appointment rather than election of Trott as assistant secretary.

Attempts by Wellington branch officials to get a breakdown of the \$81,000 spent on settling industrial disputes last year led to a request for an independent Federation of Labour audit being considered.

In the previous year, the union spent \$19,000 on expenses in settling industrial disputes, mainly on travel, hotels, food and associated expenditure.

In the past all officials have been elected members of the union, a tradition that the national management committee departed from in sanctioning the appointment of a full-time education officer, a full-time economist and an assistant national secretary.

Since the dismissal of Coory, an issue taken up by the Wellington branch on her behalf, the work for all three positions has been done by Trott, who is also contracted to Trade Union Research and Consultancy Ltd.

Gerdelan has been to Miami at the union's expense to attend the two-week-long International Transport Federation Conference. Union policy requires that membership be pursued only when there is sufficient finance and time available.

Members have been told that Gerdelan's attendance was necessary to take note of further development in the "Enna G" dispute, a seven-year-old case between the New Zealand maritime unions and the Nauru Government Commission. The Nauru Government is claiming \$300,000 compensation from the Harbour Board Employees' Union, the Seaman's Union and the Watersiders' Union for the laying up of the Enna G for several months in 1973 after an industrial dispute with the crew over wages and conditions supported by the New Zealand unions.

Union officials have been reluctant to talk to NBR, insisting that the dispute is an "in house" matter and little different from the normal tensions and arguments experienced by any organisation or company.

Mt Cook confident about Tasman plans

MOUNT Cook Line executives are quietly confident that their plans for a trans-Tasman air service will succeed against opposition from Air New Zealand, which until recently was the company's largest shareholder.

Announcing the plans to fly one 30-seat-capacity trijet from Christchurch to Sydney, Melbourne and Brisbane, MCL executive Phil Phillips said the proposal would not threaten Air New Zealand's viability — "if it has any".

The latter comment Phillips jokingly suggested could not be quoted, but he made it clear MCL was more than committed to just "rocking the boat".

Phillips explained that MCL had suffered a severe drop in tourist traffic from Australia

two years running. He blamed most of it on what he called the "totally unsatisfactory" deal for South Island-based tourist operations.

MCL claims the bi-government seat allocation arrangements have consistently favoured Auckland over Christchurch, resulting in less frequency as aircraft capacity increased.

Qantas jumbos and Air New Zealand DC-10s can dump several hundred passengers at a time without consideration for connecting flights, specially when there are delays of several hours.

AICL's plans for the more frequent smaller jets, flying up to 14 services a week across the Tasman, would enable passengers to be processed more

quickly and give them greater flexibility in flying south from Christchurch on the day of arrival.

At the moment, people booked on six-day ski packages from Australia have to spend two nights in Christchurch.

"We want to have people in the snow at Coronet Peak the same day as they leave Australia — something that can't be done under the present set-up," Phillips said.

Airline movements across the Tasman are merely an "add-on" to the airline's international long-haul services, according to MCL, rather than the more suitable shuttle-type services.

Phillips quoted instances where travel agents in Australia have given up trying to book for

holiday-makers wanting to go to New Zealand.

"One agent told me it took him 10 minutes to sell a package to New Zealand for one couple and another 40 minutes to get the seas," he said.

Phillips pointed to the recent white paper on aviation policy to back the company's contention that it can join the international jet set.

The policy indicates that the Government will allow other operators into the market where they contribute to the growth of tourism.

Aircraft won't be a problem. The airline said it can already line up leasing arrangements for the trijets, most likely Boeing 727s.

Phillips quoted instances where travel agents in Australia have given up trying to book for

holiday-makers wanting to go to New Zealand.

"One agent told me it took him 10 minutes to sell a package to New Zealand for one couple and another 40 minutes to get the seas," he said.

Phillips pointed to the recent white paper on aviation policy to back the company's contention that it can join the international jet set.

The policy indicates that the Government will allow other operators into the market where they contribute to the growth of tourism.

Aircraft won't be a problem. The airline said it can already line up leasing arrangements for the trijets, most likely Boeing 727s.

Phillips quoted instances where travel agents in Australia have given up trying to book for

holiday-makers wanting to go to New Zealand.

"One agent told me it took him 10 minutes to sell a package to New Zealand for one couple and another 40 minutes to get the seas," he said.

Phillips pointed to the recent white paper on aviation policy to back the company's contention that it can join the international jet set.

The policy indicates that the Government will allow other operators into the market where they contribute to the growth of tourism.

Aircraft won't be a problem. The airline said it can already line up leasing arrangements for the trijets, most likely Boeing 727s.

Phillips quoted instances where travel agents in Australia have given up trying to book for

holiday-makers wanting to go to New Zealand.

"One agent told me it took him 10 minutes to sell a package to New Zealand for one couple and another 40 minutes to get the seas," he said.

Phillips pointed to the recent white paper on aviation policy to back the company's contention that it can join the international jet set.

The policy indicates that the Government will allow other operators into the market where they contribute to the growth of tourism.

Aircraft won't be a problem. The airline said it can already line up leasing arrangements for the trijets, most likely Boeing 727s.

Phillips quoted instances where travel agents in Australia have given up trying to book for

holiday-makers wanting to go to New Zealand.

"One agent told me it took him 10 minutes to sell a package to New Zealand for one couple and another 40 minutes to get the seas," he said.

Phillips pointed to the recent white paper on aviation policy to back the company's contention that it can join the international jet set.

The policy indicates that the Government will allow other operators into the market where they contribute to the growth of tourism.

Aircraft won't be a problem. The airline said it can already line up leasing arrangements for the trijets, most likely Boeing 727s.

Phillips quoted instances where travel agents in Australia have given up trying to book for

holiday-makers wanting to go to New Zealand.

"One agent told me it took him 10 minutes to sell a package to New Zealand for one couple and another 40 minutes to get the seas," he said.

Phillips pointed to the recent white paper on aviation policy to back the company's contention that it can join the international jet set.

The policy indicates that the Government will allow other operators into the market where they contribute to the growth of tourism.

Aircraft won't be a problem. The airline said it can already line up leasing arrangements for the trijets, most likely Boeing 727s.

Phillips quoted instances where travel agents in Australia have given up trying to book for

holiday-makers wanting to go to New Zealand.

"One agent told me it took him 10 minutes to sell a package to New Zealand for one couple and another 40 minutes to get the seas," he said.

Phillips pointed to the recent white paper on aviation policy to back the company's contention that it can join the international jet set.

The policy indicates that the Government will allow other operators into the market where they contribute to the growth of tourism.

Aircraft won't be a problem. The airline said it can already line up leasing arrangements for the trijets, most likely Boeing 727s.

Phillips quoted instances where travel agents in Australia have given up trying to book for

holiday-makers wanting to go to New Zealand.

"One agent told me it took him 10 minutes to sell a package to New Zealand for one couple and another 40 minutes to get the seas," he said.

Phillips pointed to the recent white paper on aviation policy to back the company's contention that it can join the international jet set.

The policy indicates that the Government will allow other operators into the market where they contribute to the growth of tourism.

Aircraft won't be a problem. The airline said it can already line up leasing arrangements for the trijets, most likely Boeing 727s.

Phillips quoted instances where travel agents in Australia have given up trying to book for

holiday-makers wanting to go to New Zealand.

"One agent told me it took him 10 minutes to sell a package to New Zealand for one couple and another 40 minutes to get the seas," he said.

Phillips pointed to the recent white paper on aviation policy to back the company's contention that it can join the international jet set.

The policy indicates that the Government will allow other operators into the market where they contribute to the growth of tourism.

Aircraft won't be a problem. The airline said it can already line up leasing arrangements for the trijets, most likely Boeing 727s.

Phillips quoted instances where travel agents in Australia have given up trying to book for

holiday-makers wanting to go to New Zealand.

"One agent told me it took him 10 minutes to sell a package to New Zealand for one couple and another 40 minutes to get the seas," he said.

Phillips pointed to the recent white paper on aviation policy to back the company's contention that it can join the international jet set.

The policy indicates that the Government will allow other operators into the market where they contribute to the growth of tourism.

Aircraft won't be a problem. The airline said it can already line up leasing arrangements for the trijets, most likely Boeing 727s.

Phillips quoted instances where travel agents in Australia have given up trying to book for

holiday-makers wanting to go to New Zealand.

"One agent told me it took him 10 minutes to sell a package to New Zealand for one couple and another 40 minutes to get the seas," he said.

Phillips pointed to the recent white paper on aviation policy to back the company's contention that it can join the international jet set.

The policy indicates that the Government will allow other operators into the market where they contribute to the growth of tourism.

Aircraft won't be a problem. The airline said it can already line up leasing arrangements for the trijets, most likely Boeing 727s.

Phillips quoted instances where travel agents in Australia have given up trying to book for

holiday-makers wanting to go to New Zealand.

"One agent told me it took him 10 minutes to sell a package to New Zealand for one couple and another 40 minutes to get the seas," he said.

Phillips pointed to the recent white paper on aviation policy to back the company's contention that it can join the international jet set.

The policy indicates that the Government will allow other operators into the market where they contribute to the growth of tourism.

Aircraft won't be a problem. The airline said it can already line up leasing arrangements for the trijets, most likely Boeing 727s.

Phillips quoted instances where travel agents in Australia have given up trying to book for

holiday-makers wanting to go to New Zealand.

"One agent told me it took him 10 minutes to sell a package to New Zealand for one couple and another 40 minutes to get the seas," he said.

Phillips pointed to the recent white paper on aviation policy to back the company's contention that it can join the international jet set.

The policy indicates that the Government will allow other operators into the market where they contribute to the growth of tourism.

Aircraft won't be a problem. The airline said it can already line up leasing arrangements for the trijets, most likely Boeing 727s.

Phillips quoted instances where travel agents in Australia have given up trying to book for

holiday-makers wanting to go to New Zealand.

"One agent told me it took him 10 minutes to sell a package to New Zealand for one couple and another 40 minutes to get the seas," he said.

Phillips pointed to the recent white paper on aviation policy to back the company's contention that it can join the international jet set.

The policy indicates that the Government will allow other operators into the market where they contribute to the growth of tourism.

Aircraft won't be a problem. The airline said it can already line up leasing arrangements for the trijets, most likely Boeing 727s.

Phillips quoted instances where travel agents in Australia have given up trying to book for

holiday-makers wanting to go to New Zealand.

"One agent told me it took him 10 minutes to sell a package to New Zealand for one couple and another 40 minutes to get the seas," he said.

Phillips pointed to the recent white paper on aviation policy to back the company's contention that it can join the international jet set.

The policy indicates that the Government will allow other operators into the market where they contribute to the growth of tourism.

Aircraft won't be a problem. The airline said it can already line up leasing arrangements for the trijets, most likely Boeing 727s.

Phillips quoted instances where travel agents in Australia have given up trying to book for

holiday-makers wanting to go to New Zealand.

"One agent told me it took him 10 minutes to sell a package to New Zealand for one couple and another 40 minutes to get the seas," he said.

Phillips pointed to the recent white paper on aviation policy to back the company's contention that it can join the international jet set.

The policy indicates that the Government will allow other operators into the market where they contribute to the growth of tourism.

Aircraft won't be a problem. The airline said it can already line up leasing arrangements for the trijets, most likely Boeing 727s.

Phillips quoted instances where travel agents in Australia have given up trying to book for

holiday-makers wanting to go to New Zealand.

"One agent told me it took him 10 minutes to sell a package to New Zealand for one couple and another 40 minutes to get the seas," he said.

Phillips pointed to the recent white paper on aviation policy to back the company's contention that it can join the international jet set.

The policy indicates that the Government will allow other operators into the market where they contribute to the growth of tourism.

Aircraft won't be a problem. The airline said it can already line up leasing arrangements for the trijets, most likely Boeing 727s.

Phillips quoted instances where travel agents in Australia have given up trying to book for

holiday-makers wanting to go to New Zealand.

"One agent told me it took him 10 minutes to sell a package to New Zealand for one couple and another 40 minutes to get the seas," he said.

Phillips pointed to the recent white paper on aviation policy to back the company's contention that it can join the international jet set.

The policy indicates that the Government will allow other operators into the market where they contribute to the growth of tourism.

Aircraft won't be a problem. The airline said it can already line up leasing arrangements for the trijets, most likely Boeing 727s.

Phillips quoted instances where travel agents in Australia have given up trying to book for

holiday-makers wanting to go to New Zealand.

"One agent told me it took him 10 minutes to sell a package to New Zealand for one couple and another 40 minutes to get the seas," he said.

Phillips pointed to the recent white paper on aviation policy to back the company's contention that it can join the international jet set.

The policy indicates that the Government will allow other operators into the market where they contribute to the growth of tourism.

Aircraft won't be a problem. The airline said it can already line up leasing arrangements for the trijets, most likely Boeing 727s.

Phillips quoted instances where travel agents in Australia have given up trying to book for

holiday-makers wanting to go to New Zealand.

"One agent told me it took him 10 minutes to sell a package to New Zealand for one couple and another 40 minutes to get the seas," he said.

Phillips pointed to the recent white paper on aviation policy to back the company's contention that it can join the international jet set.

The policy indicates that the Government will allow other operators into the market where they contribute to the growth of tourism.

Aircraft won't be a problem. The airline said it can already line up leasing arrangements for the trijets, most likely Boeing 727s.

Phillips quoted instances where travel agents in Australia have given up trying to book for

holiday-makers wanting to go to New Zealand.

"One agent told me it took him 10 minutes to sell a package to New Zealand for one couple and another 40 minutes to get the seas," he said.

Phillips pointed to the recent white paper on aviation policy to back the company's contention that it can join the international jet set.

The policy indicates that the Government will allow other operators into the market where they contribute to the growth of tourism.

Aircraft won't be a problem. The airline said it can already line up leasing arrangements for the trijets, most likely Boeing 727s.

Phillips quoted instances where travel agents in Australia have given up trying to book for

holiday-makers wanting to go to New Zealand.

"One agent told me it took him 10 minutes to sell a package to New Zealand for one couple and another 40 minutes to get the seas," he said.

Phillips pointed to the recent white paper on aviation policy to back the company's contention that it can join the international jet set.

The policy indicates that the Government will allow other operators into the market where they contribute to the growth of tourism.

Aircraft won't be a problem. The airline said it can already line up leasing arrangements for the trijets, most likely Boeing 727s.

Phillips quoted instances where travel agents in Australia have given up trying to book for

holiday-makers wanting to go to New Zealand.

"One agent told me it took him 10 minutes to sell a package to New Zealand for one couple and another 40 minutes to get the seas," he said.

Phillips pointed to the recent white paper on aviation policy to back the company's contention that it can

Editorial

OUR "private-enterprise" Government is bound to be the toast of the aluminium multinationals, thanks to its handling of the South Island smelter negotiations. It seems to have produced a formula that will make it difficult for the consortium projects to fail. Beneath a complexity of data that comprises the power-pricing formula — at least, according to Energy Minister Bill Birch — is the concept of an escalator which is "simply a method of changing the price in step with changes in aluminium prices".

Assuming the consortium has done its sums correctly to ensure profitability based on today's aluminium prices, then only a catastrophe will deny profitability for eternity, because the cost paid for the major input — power — will be geared to the price yielded for its product in the marketplace. And whether in American or New Zealand dollars, as Birch explained, "if the price of aluminium goes up, the electricity price to the smelter will go up." Conversely, of course, if it goes down, the power price goes down, or if it doesn't go up much, the power price won't go up much.

Birch doesn't anticipate either of the latter propositions. He said it was the Government's view that the price of aluminium would continue to be related to the price of oil, and that the world price would escalate more rapidly than other commodity prices. "Accordingly, tying the escalation provision to the world price of aluminium will give greater benefit than tying it to any other inflation escalators," he said.

The sceptics, however, are bound to recall Birch's advisers being lamentably off-beam in forecasting the future price of oil as they

did their number-crunching to justify a vast investment in an alternative fuels policy of suspect worth based on Maui gas. A barrel of Saudi light would hit \$28 in 1985, they forecast only last year — and the fact it topped \$28 some months ago, and it is only 1980, makes worthless their projections to 1980 and beyond. So why heed their expectations about aluminium prices? More important, why did they not heed the lessons to be drawn from their own monumental blunders, and — if they are so confident that aluminium prices will rise in accord with oil prices — gear the escalation clause to the price of oil, a commodity which they know for a fact is rising as rapidly as its stocks are diminishing?

Would gearing the power price to the same factors which apply for the rest of the country's electricity consumers mean that the smelters must fall if so, Birch should spell it out that it is a protected industry, and that the taxpayer is underwriting a guarantee that — provided the original price ensures a profit — the smelters will remain profitable for all time.

But if that approach is justifiable for giant smelters, it should be worthy of consideration elsewhere in our economy. The textile industry, for example. The price paid for its major input — wool — could be geared to the price in the marketplace of, say, soy. That way there would be no more Mosgiels. The Wool Corporation would provide wool at a price geared to the retail price of soy, and we would have a perfectly protected industry.

But when Mosgiel hit problems, the Government waded its private enterprise flag. The company was expected to rationalise or go under. It was only after weeks of

deliberation that the Government yielded to pressures, and invested \$4 million — a drop in the bucket, in smelter terms — into a textile restructuring based on the Mosgiel group.

"I am a private enterpriser, representing a private enterprise party," Prime Minister Rob Muldoon said in explaining that decision. When the private enterpriser accepted — let alone demanded — assistance from the state "wherever by way of a subsidy on some of his products or protection against his competitors, whether domestic or international, he compromises his own private enterprise principles". Muldoon explained that the Government had been considering the provision of \$4 million of taxpayers' money "to resuscitate a stricken giant in the woollen industry, a giant that has had a major share of the New Zealand market, that had on its board some of the outstanding private enterprisers that we have in this country." But Mosgiel had been incurring losses "of a magnitude that had never been exceeded by a trading and manufacturing enterprise in this country".

Muldoon then mused on the problem of whether — in the true spirit of private enterprise — the Government should tell Mosgiel it had taken the risk and lost. Or should the government make a financial contribution of taxpayers' money to get the company going again under different management in the interests of the national economy, because otherwise there would be a vast amount of idle plant and facilities and some 1000 people unemployed who would become a charge on the taxpayer? The Government had decided to become involved.

A fortnight earlier, Muldoon said the

Government had made clear that the commercial viability of any rationalisation was the issue of first importance. That involved substantial backing and financial involvement from commercial sources, he insisted, and the Government's role should be that of a banker of last resort. "There was a point in the Government supporting a sound commercial deal."

That attitude is abandoned when it comes to dealing with aluminium smelters, because the Government expects the smelters to generate foreign exchange and jobs. The Fletcher Investment works out at over half a million dollars per job, and the taxpayer will be subsidising the smelter's tune of some \$40 million a year. It is doubtful that as many jobs can be provided by the smelters as by investing that money into other ventures. Similar doubts surround the foreign exchange returns. The Government is being inconsistent in its philosophical approach and increasingly hasty in its willingness to plough public money into projects of questionable merit.

We suggest that Birch have a chat with Associate Finance Minister Derek Quigley before he takes us beyond the point of return. Quigley said the other day he was keen to see investment proceed over the front in the economy, rather than concentrated in a few major industries. He was "the real risk that we will be seen as offering special concessions to those businesses to the detriment of thousands of small enterprises already contributing to the New Zealand economy." And he recognised that this would be "a major political issue" in the 1981 election campaign. He, at least, seems to be starting to wonder. — Bob Edlin

Without word of a lie

Federated Farmers polishing image

ONCE the undisputed backbone of the country's economy, Federated Farmers has hired a public relations firm to sell farming to the public and investors.

Consultus won the contract worth an estimated \$75,000 a year from about six other firms. Informed sources say the final decision was between Consultus and Network Communications.

Network didn't offer a full submission unpaid, but recommended that Federated Farmers change its approach.

Because the goal was to win investor support, Network argued, the campaign should not aim directly at the public.

Instead it suggested a three-year campaign costing about \$250,000 (spread over three years) within the industry itself aimed at lifting agricultural exports and putting the country back into a state of relative prosperity. With that approach publicity would come naturally and appear less like a deliberate PR campaign.

Investors would get the message that farming was worth investing in when they saw new goals being pursued under Federated Farmers leadership and the farming community engaged in positive action Network argued.

But Federated Farmers rejected that approach. Details of its PR campaign are being worked out.

Telling an airline how not to bottom out

BOB Jones might just have to wait a little longer than usual to get a drink next time he flies Air New Zealand.

In Auckland, conducting his property investment seminars, he appeared on Gordon Dryden's Radio Pacific talk-back show.

Magnate survey slips on kindergarten steps

THE next generation but one of entrepreneurs will save the New Zealand economy — if we can hold on that long.

Brockie's view



Asked by a caller if he had any advice to give to Air New Zealand he suggested that it might be an idea if the airline changed its ugly air planes policy.

Dryden, wisely, declined to comment.

The Small Business Agency is ensuring that future magnates will be properly trained and advised on how to run their activities.

According to the agency's annual report "Waikato University conducted a survey based on Waikato and Auckland clients".

The researchers concluded that: "The majority of SBA clients are under 5-years-old and owner-operated."

Not surprisingly, they also found that "at least half of SBA clients had not sought advice before approaching SBA."

Fair enough. The kindergarten mob cannot be expected to run off for advice while they are trying to set up a market for finger-painting, second hand toys, and picture books.

We look forward to Youth Aid of the Future in Trade and Industry, and hope the Fair Go team could make its investigations of kiddie commercial ventures with a good supply of potpies, big handbags for the tears, and lots of cuddles.

But perhaps the SBA means that the future magnates will be properly trained and advised on how to run their activities.



Bill Birch... cites Clyde rights as example of obstruction and delay.

Birch went on to point out: "At the conclusion of the action in favour of the Crown the appellant (and appellants) decided to take it to the Court of Appeal... But it has not been possible to get the Court of Appeal action up to this date."

In a subsequent interview, he said of the Clyde dam: "If there was clear evidence of the decisions being obstructed, then the Government would have no alternative but to consider special legislation". As evidence of such obstruction, he cited the appellants' suggestion that they would withdraw their appeal to the Court of Appeal "if the Crown would forgo any costs awarded". The appeal "had certainly delayed the conclusion of the Clyde hearings".

What the Minister fails to mention is that the delay had actually been the result of six months of Government inaction.

On January 22 1980, B Atkinson, a barrister acting for the appellants, wrote to the Solicitor-General expressing his client's concern at the possible costs and time involved in bringing an action before the Court of Appeal. He offered to withdraw the appeals in return for the Crown withdrawing their claim for costs arising from the High Court actions.

The letter emphasised the appellants' desire not to cause delays.

The Solicitor-General failed to respond to this and two subsequent letters.

On June 22, C McVeigh, Atkinson's fellow counsel in the High Court proceedings, visited the Solicitor-General, who said that he would try to get an answer from the Government within a week.

On July 17, McVeigh wrote again to the Solicitor-General for a decision on the January letter. He pointed out that the Planning Tribunal had offered a mid-September date for hearing the appeal. This offer would expire if not accepted by July 21.

Eventually the Solicitor-General replied. The letter was dated July 18 1980 — the day after the Minister's Budget speech and five days before the Minister announced qualified agreement on a

second aluminium smelter.

The Government had a buyer in sight for the power from the Clutha scheme.

The Solicitor-General conveyed the Government's decision to continue to seek costs from the High Court.

The appellants have accepted the September hearing. They say that to proceed to the Court of Appeal at this late stage would be irresponsible. But, as their barristers have pointed out, a prompt reply from the Solicitor-General could have resulted in a Court of Appeal decision by now.

Why did the Government delay these actions for six months? Why are they now suddenly in a hurry?

The short answer is that the Crown Law Office staff responsible for the Clyde hearings, Solicitor-General Richard Savage and Peter Graham, both resigned in May to become judges. But this answer does not last long. The decision that had to be made was more political than legal. The delay seems to have occurred with the politicians.

For the Government, the delay meant time to do deals. It needed to find a buyer for Clutha electricity if it was to approach the Planning Tribunal with confidence.

Its difficulties can be traced to the steady decline in power planners' growth predictions for demand for electricity.

In August 1979 the Committee to Review Power Requirements reported that electricity from the Clyde dam would not be needed until 1994. Its twin committee, the Planning Committee on Electric Power Development, recommended that the commissioning of the first generating unit be deferred until 1991. A longer deferral would cause the collapse of the construction programme.

Surplus electricity generating capacity in the 1980s had long been predicted by environmental groups. It posed for the Government the difficult problem of how to justify the Clyde dam before the Planning Tribunal, particularly as the widely unpopular scheme F had been justified by the "need" to provide as large a block of power as possible.

It is understood that a Ministry of Energy Electricity Division lawyer drew attention to this problem and the possibility that the Planning Tribunal might uphold the appeals against the water right. The Government sought other ways to preserve the water right.

The Solicitor-General is understood to have advised against any attempt by Order-in-Council to declare the Clutha a matter of national importance under Section 23 of the Water and Soil Conservation Act 1967. He apparently said the Government case might not be strong enough to withstand an appeal to the High Court.

Departmental officials instead proposed to acting Minister of Works David Thomson, that the Water and Soil Conservation Act be amended so the tribunal could only recommend to the Government that the water rights for building the dam should be revoked. At present the tribunal has the power to decide the issue.

An interdepartmental paper proposing the amendments indicated that they "would remove the burden of decision on so important an issue" from the tribunal.

These planned amendments were reported to have been stopped in caucus by National Party backbenchers on October 14.

The amendments indicate the Government's desire to carry on with Clutha Scheme F, although the rationale for the scheme — "New Zealand's ever-increasing demand for electricity" — had disappeared.

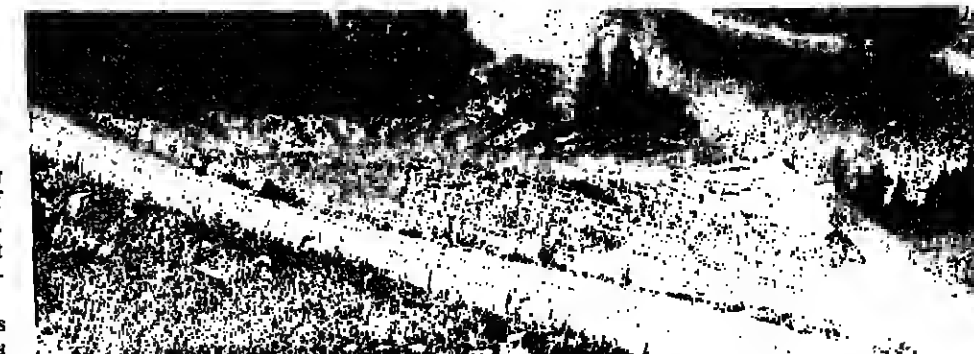
As early as June 1978, the Cabinet Economic Committee had considered the possibility of an electricity surplus arising through mistakes in power planning. It concluded that if it did occur, power could be sold to electricity-intensive industries and the cost spread among existing consumers.

So it was that in November 1979 the Government decided to offer 5000 GWh to new energy-intensive industries at rates reduced on a case by case basis to reflect other economic benefits offered by these industries.

Broad agreement was reached in mid-May 1980 between New Zealand Aluminium Smelters and the Government on the supply of 1500 GWh of electricity to an expanded smelter at Tiwai Point. More than two months later, on July 23 it was announced that "a substantial degree of agreement" had been reached between the Government and the Fletcher-CSR Aluminium consortium to build a second aluminium smelter and continuous sheet casting plant. The 200,000 tonne-a-year first two stages of the project would require 3000 GWh.

The Government had a buyer for Clutha power. Five days earlier, its silence had been broken by the Solicitor-General's letter.

Before the end of July, the Minister announced



Clutha scheme... Government had a buyer in sight for the power.

that commitments made for energy-intensive industries, "will mean that the projects that have been put on the shelf will be taken off. The power plan can now be reactivated... Certainly we will need to complete the Clutha in the late 1980s."

The Minister has indicated his determination to make new laws if existing law gets in the Government's way. Such impediments may occur if the Planning Tribunal upholds appeals against the water rights.

The National Development Act reduced public involvement in planning decisions. Now the Minister says that even this restricted involvement is given only with the Government's

blessing. Any misbehaviour and everyone has to leave the court.

The assumption is that the Government knows best. That attitude debases the value of contributions from community groups and interested individuals.

Local landowners in the Upper Clutha valley have seen with rising hope the rationale for the Clyde high dam disappear. Now they see the Government changing the rules.

It seems that using the law as a device for delay is quite justifiable — if you think you own it!

Kaith Johnston is a co-ordinator of Clutha Rescue.

Financial & Commercial Research Bureau

PRINCIPAL: Peter V. O'Brien



INDEPENDENT RESEARCH CONSULTANCY
TO INDUSTRY AND COMMERCE SINCE 1970.
P.O. BOX 2409, WELLINGTON. TELEPHONE: 721-877.

CENTRAL DOCUMENT EXCHANGE LIMITED

P.O. BOX 17-152 WELLINGTON NEW ZEALAND CDE BOX 1



YOUR MAILING AND DELIVERY
FOR \$4 PER WEEK or LESS

JOIN THE PROFESSIONALS who have found the answer to increasing costs of postage and delivery.

MEMBERSHIP of the C.D.E. means that for from \$1 — \$4 per week (depending on the size of your firm) you can take care of mailing and delivery of documents, papers, letters, packets and other items to other Exchange Members.

EACH MEMBER of the Exchange has a box into which other members can place documents, papers, letters, packets and other items. The annual rental for the box covers all costs — THERE IS NO CHARGE FOR EACH ITEM.

CURRENT MEMBERS include —
Lawyers
Sharebrokers
Real Estate Agents
Property Development Companies
Valuers

Insurance Companies
Trustee Companies
Government Departments
Legal Annotators and Publishers

For Further Information and
Brochure mail this coupon to:

"Central Document Exchange Ltd."
P.O. Box 17-152
Wellington

Name:

Address:

Phone No:

NATIONAL BUSINESS REVIEW

Published by Fourth Estate Newspapers Ltd.
Managing Director: Reg Birchfield
Marketing Director: Ian F. Grant
General Manager/Accountant: Stephen Underwood
Editor: Bob Edlin
Production: Ralph Green, Ann Taylor

News & Features:
Colin James, Rae Mazengarb,
Stephen Ball, Jack Hodder.

Contributing:
Finance: Peter V. O'Brien

Auckland Bureau:
Aileen Barryman

Advertising Sales:
Manager: Paul A. O'Shea

Promotions:
Manager: Kaitiaki Scott

Circulation:
Manager: Jan Ches

Auckland Office:
2nd Floor, Levens Building,
Chr. Airdale & St. Paul Streets, Auckland
Tel: 799-304

Wellington Head Office:
Fourth Estate Newspapers Ltd.
15 Blair Street, Wellington N.Z.
P.O. Box 9944
Tel: 738-876

Cables: Nabus

National Business Review is published weekly (except for last week December and first week January).

Typeset and composed by Connelley
Ltd., Wellington. Printed by The Press
118 Keith Road, Petekera Road.

Single copies: 75 cents
Subscription rates: NZ\$25 per year
Member ABC (Audit Bureau of Circulations)

Letters

In defence of Percival

I SPOKE recently with Warren Berryman regarding an article (NBR May 19) which referred to this company. The article contained several errors of fact and innuendoes which could be damaging to the reputation of this company.

It is the second occasion on which you have made factual errors in your reports as they affect this company — a reflection on the standard of the reporting.

Your reference to the success of the *New Zealand Lawn Bowler* under Robin Craze is one of pure supposition. It is a fact that since it changed hands the subscription rate to readers has increased by 300 per cent and that the editorial content has reduced against the average issue produced by this company under the editorship of the late Dick Byford. The magazine was born from the initiative of this company in 1969 and produced with satisfaction to all parties for a period of 10 years. The manner in which the magazine changed hands was undoubtedly questionable and your report a hypocritical epitaph to the work of the late Dick Byford and this company.

I have never heard the expression phone jockeys — your reference to earnings of up to \$27,500 a year is deliberately mischievous and bears no relation to average earnings; indeed one of our sales people received only \$3472 in the last year, but it would be just as ludicrous to use this figure to make a point, as it is for your article to use the other extreme.

If you were so keen to refer to the manager of Tasman as ex Percival Publishing Co. why did you not take the trouble to find out why he was dismissed, and include the reasons.

You make the same reference with Jack Challinor — he was also dismissed and not employable by this company and has not been since early in 1977. This company is proud of its reputation and service — over a whole range of publications — it has traded in New Zealand for over 15 years, it does not change its name or contact addresses and every one of our publications contains our name and printers imprint.

We have provided a valuable source of funds to many organisations and institutions; you don't have to take our word, why don't you ask The New Zealand Association of Road Safety Committee in respect of our initiative and sponsorship to the road safety competition. Our publication *New Zealand Roadcraft* is now in its 14th year and has taken the message of road safety, mainly to children, through 68,000 copies this year alone.

Ask the New Zealand Association of the Blind & Partially Blind, for whom we have also worked for 14 years, and there are many others.

This is only one aspect of our publications — what better medium for advertising to the thoroughbred world than the publication *New Zealand Thoroughbred*, circulated to every member of the New Zealand Racing & Trainers Federation (Inc). Our other technical specialist magazines — *New Zealand Draughtsmen, Safety Management, E.M.T.E.C.* and the *World's News* — certainly do not deserve the image that your article has set out to do simply by reaching a conclusion without fact.

We continually suffer by misrepresentation from other

companies — they seek to confuse titles with those of our established magazines and leave the advertiser bewildered, your article has played into their hands to some extent by erroneously including our company in the same league.

We also sincerely hope that you will not seek to judge from information conveyed by an ex-salesman with little knowledge of the overall working of our company and who has disclosed a client's confidential information entrusted to him as an accountant.

We are a publicly-owned company, our accounts are audited, our legal requirements are fully carried out, we do not make exorbitant profit, we do not make "under the counter" deals and we intend to pursue our business as we have done hitherto.

Finally, we do not regard it as a crime, nor do we complain, when approached by telephone for advertising in newspapers. I have never seen an ad. rep from a newspaper yet — but the minute we place an advertisement in one we are approached by the others by telephone, including some from Wellington. Perhaps Warren would like to have a go at these "phone jockeys".

W.B. Chambers
General Manager
Percival Publishing

THE point of our story was that Percival Publishing obtained advertising from companies which believed they were buying space in a publication that would be distributed nationally, but they got only half the circulation they thought they were buying. We thought it worth bringing this to the attention of the business community.

Our information about the earnings of your phone jockeys was gleaned from past employees who, being in receipt of the cheques, we assumed knew their own earnings. No reference was made to average earnings.

We did not confuse Percival Publishing with REM, Tasman Publishing, Rednor and so on. Our article on Percival was published as a separate story. But our interviews with businessmen and admen showed common complaints about Percival and the others — ads published without authorisation and lack of audited circulation details.

We have three different figures, for example for the circulation of your past publication, *The NZ Lawn Bowler* — you said it was about 5000 copies, the *Bob Wardlaw Media Digest* said it was 9500, and an editorial in the *NZ Lawn Bowler* said it was 4000. What is the advertiser supposed to believe?

We did not say the *NZ Lawn Bowler* under Robin Craze was a success. Because Craze had only just got the magazine, it was too soon to judge. But its quality, layout, photos, and editorial were of a high standard.

We did not write our story without asking the lawn bowlers why they sought a new publisher. We found no evidence of questionable practice by Craze. — Editor.

Fastening the market

As an

would like to raise comment on Lindsey Dawson's article (NBR, July 28): Risk Capital — DFC \$2m not too much to spread, specially her opening paragraph in which she discusses the idea of a brilliant fabric fastener to replace the zipper.

Such a product has been available on the local market for many years and is widely used both by the domestic home-sewer and the industrial manufacturing sector. Velcro is a unique fastening system, produced in New Zealand offering all the advantages that the zipper cannot, and is as your writer suggests, a miraculous fabric fastener.

R. Nelson
Sales manager
Velcro (NZ) Ltd

Bungling the power supply

I AM glad you raised the matter of the Wellington MED cutting off power to domestic hot water

supplies (Without word of a tie — NBR August 4) as I believe this is a matter which should be aired since it seems to be a typical example of bureaucratic bungling.

The reason the power is cut off is not, as you imply, because the supply is unavailable but due to the entirely different charging policies adopted by the separate authorities in a totally nonsensical and incompatible way, as I understand it from conversations I have had with the MED.

Evidently, the supply authorities charge the distributors, in this case the MED, on a basis of the maximum KVA used — which is akin to the "pressure" of the power used, over a given time. The MED charges its customers on the units — or "quantity" of power consumed. To set its charging rate per unit, the MED must not exceed a previously determined budget. KVA rate otherwise it will have to pay the supply authority a greater amount for all the power it has taken during that

given time which it will not be able to recover from the consumer.

Hence in a cold snap, with lots of people at home (as happened in the May school holidays), when the demand is high, because people are using electricity for what it has been supplied to them for, once the peak load gets close to the maximum budgeted KVA load, what, off goes the hot water heating, and if that does not do the trick then, zap, down goes the voltage.

This is done without either prior warning or advice at the time, which can be very annoying as my wife will tell you when she tries to do the daily nappy wash for our two infants and runs out of hot water half way through.

But the most stupid thing about it is that the "shortage" has been deliberately engineered. There is no shortage at present — water is being spilled over the dams because we are not consuming enough electricity. And yet the power

boards wish to increase the charges because they are not getting enough revenue.

What an *All-Is-Well-Under-Its-Own-Weather* situation! It seems to be a typical example of bureaucratic bungling.

Robert E. Vane
Wellington

Medal for Corbans

YOUR Admark column recently criticised the statement "Corbans Reel Claret — Strictly for the Connoisseur" (NBR, July 21).

You may be interested to learn the Corbans 1978 Claret has won one of the highest awards at the 26th international wine fair in Ljubljana, Yugoslavia — the grand diploma honour with grand gold medal.

R. J. P.
Public relations manager
Corbans Wines

Politics

Where vibrant diversity is not just a dream

by Colin James

DIVERSITY is one of the riches of democracy. In diversity lies choice: among lifestyles, products, entertainments — and perceptions of the world.

A diverse press is, in most of the mature western democracies, a prized possession. The opportunity to read differing analyses of the same event or statement makes a balanced view more likely.

A homogeneous press is the plaything of demagogues. It denies the reader choice, limits his opportunity to judge for himself his politicians.

It encourages docility and timidity, apathy and conservatism. It is often slammed hard in New Zealand to tell where the sheep end and the humans begin.

You might think at this point

that I am about to launch into a diatribe about the Prime Minister's fear that taking Tom Scott along with him to India and China might upset Asian foreign relations sensitivities (which is a bit rich, coming from the man who improved New Zealand-United States relations out of sight by calling Jimmy Carter a peanut farmer).

Well, I'm not. Plenty has been written and spoken about it.

Newspaper liberals have opined that the Prime Minister went too far; National Party liberals, by their resounding public silence, clearly have chosen to go that extra distance with him.

Back in the saddle now that Cabinet posts are up for auction, it seems the Prime Minister will be able to develop unhindered, case by case, the principle that prime ministers

shall be accountable to the public only through acceptable journalists.

Especially, it seems, prime ministers shall not be (satirically) laughed at. Pomposity shall not be picked. Smallness suckles self-importance.

Lead us not into the temptation of tolerance. Deliver us from diversity.

Contrast this palsied pursuit of similarity with politics across the Tasman.

There, ministers resign (the most recent is Fraser loyalist Tony Staley. Post and Telecommunications Minister, subsequently shown to have known about a breach of the Broadcasting and Television Act by Rupert Murdoch), parties split and resplit against a background of expulsion, beatings, challenges, corrup-

tion — not to mention Budget leaks.

Start with the Labor Party, which seems to have elevated splinterism to a fine art.

In Queensland a federally-appointed interim administration controls party affairs after suspension of the previous executive in March. There is a sort of armed truce between the new and old guards, enforced by an election-conscious federal leadership.

In a bizarre scene recently, federal leader Bill Hayden and deputy leader Lionel Bowen simultaneously attended new and old guard barbecues on either side of Brisbane River.

In Victoria the right seems to have won at least a temporary victory with the demolition of left-wing Senator Jean Melzer to third spot (and therefore

virtual certain extinction) on the state's Labor ticket for the federal Senate elections.

The right is also trying to replace the state leader, Frank Wilkes, with one of its own number.

In New South Wales the left-right battle has a literal ring about it. A youngish left-wing MP, Peter Baldwin, an outspoken crusader to clean up the party machine, was beaten up recently.

His battered, stitched-up face loomed up of the front pages, giving Labor the chance to scare itself with talk of a Liberal election campaign poster of Baldwin as "the face of Labor".

Then 10 days ago police made a dawn swoop on five party officials, including one who is a Sydney borough mayor and carted them off to court on charges of forging party documents.

The state executive is being kept busy deregistering rotten branches — six so far, a perilous exercise in a party that can rake up only 19,000 members in a population of 11 million (for the record, about the same as the Liberals).

Surely, a party with New South Wales Labor's problems should go down in a heap at next year's elections.

Instead, Opposition Liberals are resigning themselves to another resounding defeat. They blame their predicament on Neville Wran, the country's most popular premier, a super-politician who combines high political management skills with charisma and a penchant for the grand gesture.

One such gesture is his plan to fill up the fine wine-growing Hunter Valley with aluminium smelters.

His latest is to become — while incommunicado (with a Peter Gordon-type throat) — federal president of the party, after the sudden departure for Unes of nonentity Neil Batt, Tasmanian deputy premier.

Bill Rowling would envy the way it was done: a huddle of the top brass and a phone call — all fixed in a few days. The "election" follows in due course.

Wran's rise is a bit rough on leadership hopeful Bob Hawke, trade union supremo, waiting for his backbench slot in the coming federal election.

And a bit of a shot in the arm for the party's underdog, his name, the leader no one recognises in the street.

Sound familiar? And does a decision by the private enterprise Government to prop up the labour-intensive industry with lots of factories in marginal factories just before an election also sound familiar?

You've got it. Big Mal crunched the numbers and the textile, clothing and footwear trades kept their protection.

He's a numbers man, Fraser, a Liberal backbencher told me. His government is by getting the numbers right and he stays there by keeping them right. That includes the reputed great dictator occasionally bending to a hostile majority on his back benches.

The numbers seem to be going Fraser's way again. Though some recent polls have begun to raise doubts, the received wisdom, after high

the Labor ranks, is for a Liberal-NCP coalition win in the coming election.

(NCP stands for National Country Party, known either as National or Country in the states.)

But if you think all is easy in the coalition, think again. Younger Liberals find their "agrarian socialist" partners embarrassing and irksome.

In Victoria, the Libs are doing their best to eliminate the already minuscule NCP, as they have effectively done in Western and South Australia (it never came to much in Tasmania).

A state National MP, Neil McInnes, has just switched to the Libs, precipitating a challenge to National leader, Peter Ross-Edwards. Liberals are plotting to axe federal NCP minister Peter Nixon in the election after next.

Up in New South Wales the boat was temporarily on the other foot, when deaths left the Liberals one seat behind the Country Party, which had the prospect of being the official Opposition dangled in front of it by Wran.

Further north, the two "partners" are at war. There the National Party is the senior Government coalition partner, having in 1977 got 35 per cent of the vote, compared with the Liberals' 21 seats (25 per cent) and Labor's 23 seats (33 per cent).

The distribution, due to a zonal electoral system which heavily favours country against town and gives premier John Bjelke-Peterson a free hand even to ride roughshod over his partners, angry Libs say.

The last straw was getting John's wife Flo on the federal Senate ticket.

So the Libs are putting up a separate Senate ticket and are challenging sitting Nationalists in the coming state election. Teh, teh, say the federal Libs and NCP, who get on just fine with each other down in Canberra and are publicly deploring the Queensland rebels. (NCP federal leader Doug Anthony toured Queensland recently to make the point).

But the rebel Libs sense eventual coalition domination and, shorter term, the chance to join forces with Labor to end the electoral zone system. Paradoxically, however, Labor second preference votes may go the way of John, wily weed of the political winds, and deny the fresh-faced believers from the city their ambition.

Federal w states, partner v partners, faction v faction, naked weapons flashing in the sunlight. Australian politics have about them a raw vigour and vitality that crackles in the air.

The Tom Scott affair would have been buried in the media over there. But not before a few backbenchers of the "small" Liberal type, had publicly disagreed with their leader over it.

That is diversity. You may have gathered from the above that I have been doing my column long-range for the past couple of weeks.

Which has its problems. The Social Credit conference is, of course, at the end of this week, not last week.

And that "mblo" referred to in the August 11 column never quite made it into print. Sorry if we mystified you. We'll try to catch up with it next time. I look at poll results.

Why does the rain fall more kindly on the Montana Grape?

Of all influences which affect quality none is more vital than the weather. The grape and the weather.

Throughout history great vineyards have spoken of in awe. These are the sun, temperature and rainfall have almost perfect balance. It is this balance that makes Montana to Marlborough.

The area consistently enjoys more sunshine. In March, the crucial harvest period, grapes are vulnerable to disease. High rainfall, allied with a warm climate, encourages fungus growth and forces an early harvest before the disease spreads.

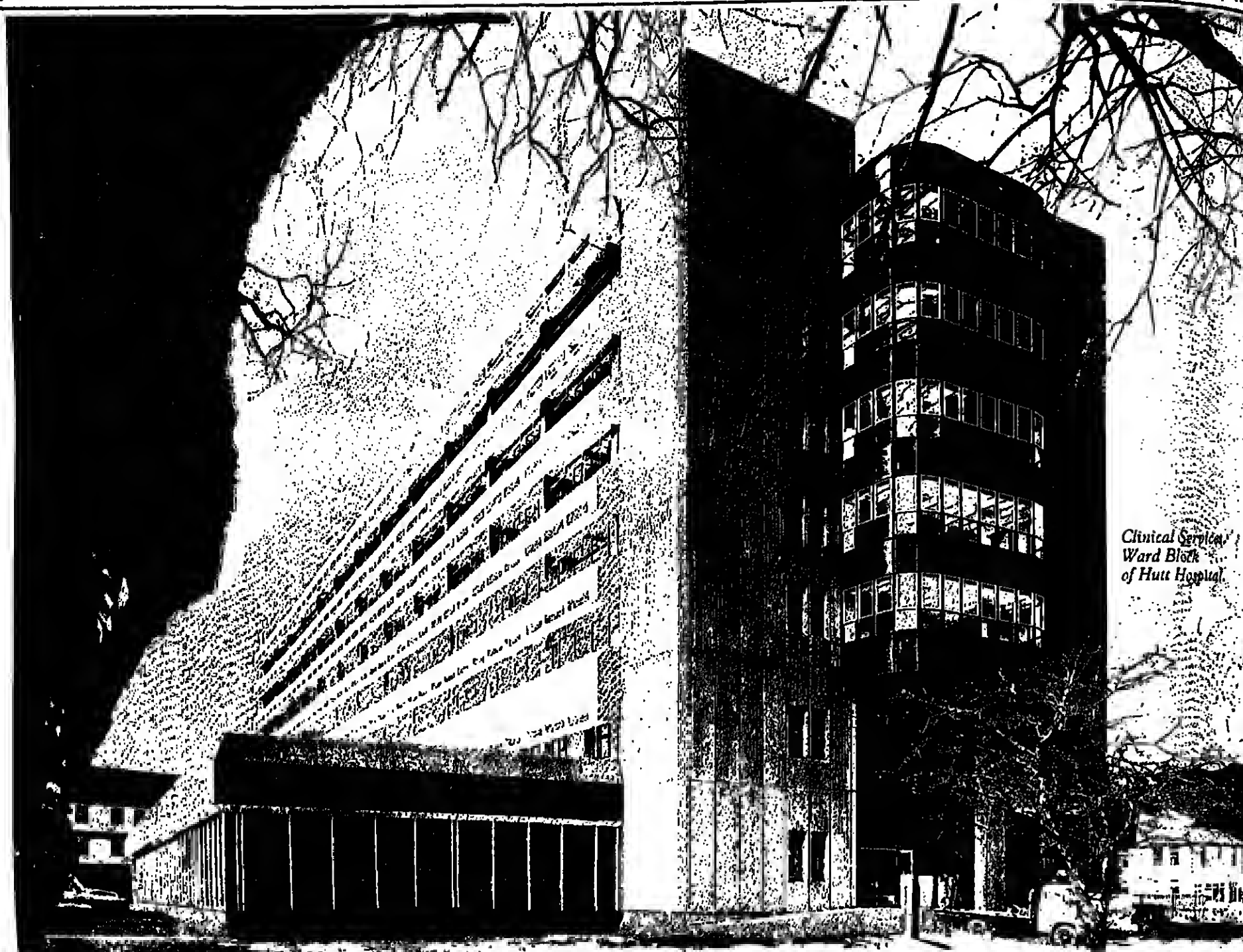
March is Marlborough's driest month. Most years Montana can rely on leaving the grapes on the vine longer, allowing the natural sugars and flavours to build to their optimum.

The difference such a simple factor can make to finished wine quality is significant.

After an indifferent 1978/79 summer throughout most of New Zealand, many wine critics were of the opinion that no white wine could justify a gold medal. Montana won it. When Montana first decided to plant Marlborough they went where other major wine maker would. Now others will follow.

MONTANA

leading New Zealand in the world of wine.



Clinical Sciences
Ward Block
of Hutt Hospital

LOOK UP TO DOWNERS

In construction, New Zealand looks up to Downers. For almost half a century, Downer and Company have played a major role in building the nation. We have been involved in the construction of power schemes, industrial projects, buildings and communications undertakings such as airports, motorways, bridges, tunnels, docks and harbours over the length and breadth of New Zealand, and beyond.

We have assembled the construction equipment, experienced personnel and the professional expertise to fulfil contractual undertakings on time and to exacting specifications over a vast range of construction endeavours.

Whether working on the Tongariro power scheme, Bluff aluminium smelter, or a culvert, Downers reputation as construction experts is second to none.

We're not just down to earth. We go deeper than that.



From the ground up. Or down.

The three-lane
Ternace Tunnel,
part of the
Wellington Urban
Motorway System.



Economics

Quigley's control: Caught in the horns of dilemma

Economics Correspondent
It is not always easy to practice what you preach. Housing Minister Derek Quigley had that point firmly drummed home recently.

Early in August Quigley circulated a speech which he delivered on August 15 outlining a more rigorous approach to controlling Government spending (see Colin James NBR, August 18). But before he got a chance to deliver his speech, Quigley succumbed to political pressure that virtually guarantees that his own housing portfolio will be overspent this year.

The director-general in charge of lending at the Housing Corporation, John Ward, found that only a third of the way into this financial year, nearly two-thirds of the amount budgeted for home improvement loans had been spent. He argued that if spending was to be kept within budget guidelines, lending at the rate established in the first four months of the year could not be sustained.

By August 1, \$10.4 million of the \$16 million appropriated for home improvement loans had been spent. If spending continued at the same rate, nearly \$32 million would be spent by year's end.

Ward was no doubt conscious that Quigley, a key member on the Cabinet expenditure committee, would like to set a good example to other ministers by controlling expenditures in his own portfolio.

On August 1, Ward announced new criteria aimed to slow the upsurge in applications for home improvement loans. Applicants with incomes under \$230 a week, Housing Corporation mortgages, from neighbourhood improvement areas or those who qualified under the Government's community and housing improvement programme were to be given preference.

And Ward was practising what Quigley himself preached on August 15.

Quigley said in his speech that "what is required is an incentive for departments to examine their expenditures, not in terms of their desirability but rather their necessity and priority in the light of the Government's policy objectives and the resources available. At the same time, the possible benefits of the trade-off between giving up old policies for new, needs to be more clearly understood at both the official and political levels."

Ministers with the non-finance portfolios typically regard expenditure guidelines as less binding than do their colleagues in finance. It is of paramount importance that individual ministers recognise that sound planning of Government expenditures imposes a measure of discipline on individual resource ambitions. But Ward's tougher control of spending by the Housing Corporation lasted only 12 days.

On August 12, Quigley announced that the \$230 a week income limit and the stipulation that Housing Corporation mortgagees should be given preference, would be scrapped.

The political reality is that there is a large demand for cheap home improvement finance. The Community and Housing Improvement Programme (CHIP) came into operation last September. CHIP provides financial assistance to local authorities, builders, developers and home owners for a wider range of urban renewal activity than was available under previous policies. In the seven months after the CHIP programme was initiated, eight special urban renewal areas (called Neighbourhood Improvement Areas) had been approved.

In just over half a year's operation, over \$4 million was spent on the CHIP scheme.

This scheme has stimulated interest in rehabilitating older properties. Energy restraints and the uncertainties of the economic situation have influenced home owners to modify or upgrade their existing accommodation rather than move to better homes — the pattern a few years ago.

In March year 1980, 51,751 permits were issued for home improvement. This was an increase of over 1800 above the previous year. Not all improvements require permits, so this figure does not represent the total amount of work undertaken.

The Housing Corporation processed over 2700 applications for home improvement loans last year and made nearly 2200 loans. Total spending for the year was \$14.4 million.

Spending in March year 1980 was 38 per cent above the \$10.4 million spent in the previous year when just over 1800 home improvement loans were issued by the Housing Corporation.

An interest rate of 10 per cent is charged on home improvement loans. While this is the highest rate of interest charged by the Housing Corporation, it is markedly below the 12 per cent charged by the Post Office and the 16 per cent charged by most trading banks.

This difference between the interest rates paid for private sector loans and Government backed loans must stimulate demand for home improvement loans.

Home improvements add value to property. With inflation running at over 18 per cent, it is getting more and more expensive to pay for home improvements.

Paying for home improvements at the 10 per cent interest rate charged by the Housing Corporation is cheaper than paying the additional costs added by inflation.

It could be argued that the Housing Corporation is giving away money for its home improvement loans and its other finance.

One reason for establishing the Housing Corporation was



Courtesy of McGraw Hill from "A Political Bestiality" by McCarthy and Kipetrich.

to provide housing finance for those finding it difficult to get housing finance from private sector financial institutions either because they were not acceptable borrowers (too

young, too old, or without an established credit record) or because their incomes were too low to make interest payers is demanded by other institutions.

With private sector interest rates rising over the past few years, more and more families have found the prospect of borrowing to finance housing a frightening prospect. Arguably the Housing Corporation should provide finance to these families, as well as the truly low income households.

But it seems that families familiar with how the financial system works have been quick to take advantage of the attractive home improvement loans. Those who may have a greater need are either not aware that they can get finance through the corporation or, for some reason, have not made the effort. Perhaps their entire in-

comes go in spending on food and other necessities, leaving very little for extravagances like home improvements.

It might be that the Housing Corporation is providing a nice gift to families sufficiently aware of how interest rates work and well enough off to forego some current consumption in order to improve their homes.

This also feeds back to the construction industry, which is being kept alive by housing renewal.

But if Quigley is really committed to cutting back Government spending, he should look close to home before preaching to other ministers. The popularity of home improvement loans suggests that instead of controlling spending in this area, the Government is trying to stimulate it.

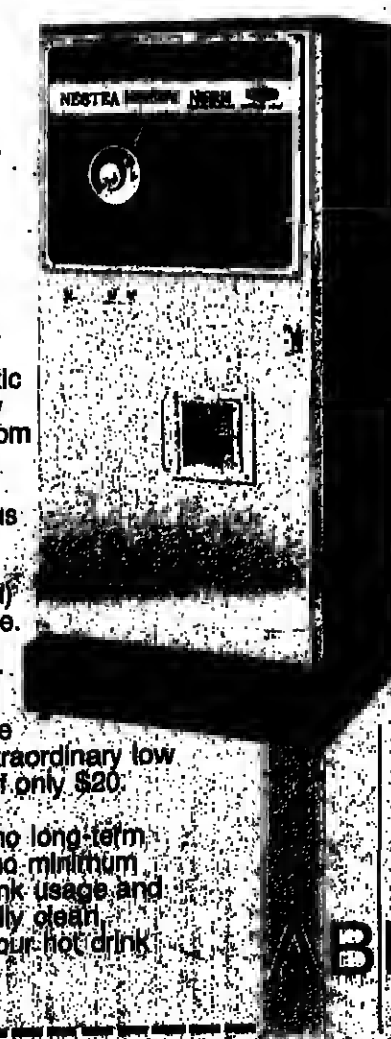
THE NEW, HOT, \$20 INVESTMENT!

INSTALL THIS FULLY AUTOMATIC HOT DRINK MACHINE NOW FOR AN INCREDIBLY LOW COST OF JUST \$20 A MONTH!

- NO LONG-TERM CONTRACTS.
- FULLY SERVICED.
- NO MONTHLY MINIMUM.
- TEN SELECTIONS OF TEA, COFFEE, CHOCOLATE OR SOUP.

This fantastic offer is now available from Automatic Beverage Machines. Think of the enormous advantages this hot drink machine (Model 801 Illustrated) will have in your office. Ten hot drinks are available, twenty-four hours a day, seven days, at the push of a button. And at an extraordinary low monthly rental cost of only \$20.

There are no long-term contracts, no minimum monthly drink usage and ABM will fully clean, maintain and stock your hot drink machine.



If you're in business, you must examine this absolutely fantastic low priced offer for the rental of a large, ten selection, hot drink machine for just twenty dollars a month. You will be happy. Your accountant will be happy. And most important of all, your staff will be happy.

PHONE AUTOMATIC BEVERAGE MACHINES TODAY

FOR FULL DETAILS — OR SEND IN THE COUPON.

AUTOMATIC BEVERAGE MACHINES (N.Z.) LIMITED.

Auckland Telephone 888-1578
Wellington Telephone 722-164
Christchurch Telephone 883-168

R. A. JARDEN & CO.
STOCK AND SHAREBROKERS

Members of the Wellington Stock Exchange

9th Floor B.P. House
Cnr. Wingfield Street &
Customhouse Quay
Wellington, New Zealand

Telephone 724-507
Box 294, CPO Wellington 1
Telex N.Z. 9507
Cables Pacific Wellington

Please arrange for me to receive
further information on the \$20 a
month hot drink machine (Model 801).

Send to: ABM Ltd.
P.O. Box 888, Auckland

Name _____

Company _____

Address _____

O'Brien on business

Fine tuning tool waits for clearer view of trends

ANOTHER ROUND of "fine tuning" is likely if recent economic indicators continue their trend.

Last week the Department of Statistics published retail trade figures for the June quarter, which show a decline in real store turnover for the three months, reversing the improvement which was apparent in the March quarter.

The Reserve Bank's estimates of money supply, and other monetary aggregates were also published last week. There was another slight increase in the basic money supply (M1 - notes and coin, demand deposits at trading banks and savings bank cheque accounts), and in M3, which is M1 plus time deposits at trading banks, savings banks, and demand and time deposits in a range of financial institutions.

The "private sector credit"

aggregate continued its downward trend, recording a 16.7 per cent increase in the year to June, compared with 18.3 per cent in the May year, 21.7 per cent in April, and a "high" of 29 per cent in the 12 months to June 1979.

Monthly comparisons of the annual rate of increase for monetary aggregates can be dangerous, because there are seasonal peaks and troughs in money flows through the economy, and the data are subject to distortions due to official policies and the impact of the balance of payments (particularly the current account) on the figures in any given period.

When the latest June year figures are compared with the year to June 1979, the M3 increase of 17.1 per cent is a little below last year's 19 per cent. The reduction this year in

PETER V O'BRIEN comments on the financial and business week, appraises the share market and analyses the company accounts.

private sector credit expansion relates in part to the time lag between changes in M1 and M2 and the flow-on effects on M3 and private sector credit.

The Institute of Economic Research has calculated the lag at about nine months.

If the present gradual upward trend in monetary aggregates were to continue, the Government could take additional action in line with Finance Minister Muldoon's comment in the recent Budget:

"The 1979 Budget made clear the Government's intention to control the money supply, and, in particular, to smooth out the peak in mon-

etary growth which would otherwise have occurred as a result of the fiscal stimulation and improved terms of trade in 1978-79. This aim has been achieved and money supply growth rates are now below the rate of inflation. They should continue to exert a moderating influence during the coming year.

"We will not throw away this achievement. We will not allow credit to increase in order to validate soft wage settlements. If increases in wage costs and prices are excessive, the money will not be there to meet them. The business community has been warned. (NBR emphasis)

The authorities keep a close watch on these movements, and the present movements, particularly in M1 and M3, are probably still below the "alarm threshold" (for want of a better term).

When the drop in retail turnover, in real terms, is taken in conjunction with the gradual upward movements in monetary aggregates, the old dilemma presents itself.

If the Government were to "stimulate" the economy (even gently to reverse the downward trend (assuming it continues into the third and fourth quarters of the calendar year) it would have to move more money into the private sector, with a consequent effect on the aggregates, its deficit, and eventually on inflation.

Forecasts that there might be a tax cut towards the end of the year, to take effect in 1981, have to be weighed against these competing forces, as does the likely total wage rate increase in the current financial year.

The 4 per cent General Wage Order, plus what appears to be a tacit "wage round" increase of about 13 per cent, would produce a total movement of 17.5 per cent (4 per cent added to end-July payments, plus 13 per cent of the new August base).

"Fiscal drag", the higher proportion of wages going in taxes as the earner moves into a higher marginal tax bracket, will reduce the "take home" result of the wage increases, and with inflation running at its present level that means a reduction in real incomes, and disposal income.

In turn, the reductions would put additional pressure on the retail sector, and intensify recessionary forces. A tax cut would restore part of the lost purchasing power, but would also influence other economic indicators.

On top of all that we have the rising unemployment problem,

the effects of "restructuring" - now apparently being looked at again - and the constant spectre of the overseas deficit.

Economic management is never an easy business, irrespective of whether one agrees or disagrees with particular policies. Trying to guess what Government might do is the never easy, as every business planner knows.

Reserve Bank chief economist Rod Deane referred directly to the difficulties in recent paper, *On the Effects of Inflation*, a document which expanded two addresses he gave in July and August. Deane was talking about the impact of inflation on business, but his comments are applicable to other indicators.

"Not only is uncertainty reflected in the variable impact inflation has on future dollar values, but also it encompasses uncertainty about the intentions of consumers and government itself. As for government, it is concerned, for the problem of attempting to anticipate government's policy response to fluctuations of inflation, especially these are associated with external difficulties, erratic rates of growth, and rising unemployment (as has been New Zealand's experience in the 1970s).

"Faced with uncertainty, the business sector is likely to be its investment decisions towards the shorter term rather than the acquisition of capital assets with relatively long lives may be discouraged and the demand for replacement plant and equipment dampened."

Those problems help support the new "industry" out-guessing the Government, even in the short term. The current guess is for more "fine-tuning" around the end of the year, when a clearer picture of the economy has returned from September/October travel.

O'Brien on business

Analysing annual accounts: Cable Price Downer

THE "infrastructure" companies are fighting to hold their position until large-scale development projects come up for construction in a few years. Cable Price Downer's annual report reflects the problem of relatively low capital investment in the economy, which is one reason for a stagnant business environment.

About one-third of last year's turnover came from "construction" and "engineering", with the rest spread between "merchandising" (including automotive), and manufacturing.

Merchandising was 61 per cent of total turnover, the same percentage as in 1979, but the amount was \$17.1 million higher at \$134.2 million. Construction contributed 19 per cent of total turnover, compared with 22 per cent in the previous year, and was the only activity to decline in dollar value over the year, dropping from \$42.8 million to \$41.3 million.

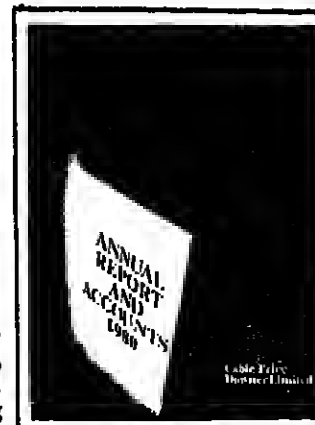
Engineering maintained its proportionate share with 22 per cent of total revenue, although the amount rose by \$4.6 million to \$27.4 million. Manufacturing jumped from 5 to 8 per cent of turnover. The dollar figure went from \$8.7 million to \$17.8 million. The substantial dollar increase had a lower impact on the proportionate split between divisions because manufacturing had a relatively small base in 1979, but the movement accounted for about one third of the increase in total turnover. CPD's group revenue was \$220.6 million, compared with \$191.4 million in the previous year.

The company faces tough competition for available contracts, and the construction and engineering subsidiaries are accepting work on tight margins. The construction division had work on hand worth \$37 million at balance date, an improvement on 1979's \$32 million.

"There is also a decline in the number of large engineering projects going to tender. This explains a comment that there 'is a continuation of the over-supply of engineering capacity which was becoming noticeable in the previous year'.

Statements from chairman, Bill Steele's review emphasise the problem: "This performance (the result) has been achieved despite real firebrands about the short-term future."

Always happy to set the record straight, maintain the economic purity of our academic worthies, and refrain from misrepresenting them.



ture of the local heavy construction and engineering industries in which we are involved and which, in recent years, have been the sources of a significant proportion of our income.

"It is true that fierce competition exists among contractors for the relatively few long term contracts that are being offered for tender, while finer margins must be taken to obtain a fair share of the available work."

Tendering for offshore contract work shows some success. CPD won a \$20 million contract to reconstruct and upgrade (in conjunction with Fletcher Construction) an American Navy airport in the Caroline Islands. The company has gained other engineering contracts in the Pacific Basin, particularly for electrical equipment, although competi-

tion is tough for such business.

The profit and loss account shows tight control over outgoings last year, with most items (revenue and expenses) increasing in a range between 14 and 19 per cent. A 19 per cent increase in expenses, other than cost of sales, includes a substantial rise in the interest bill. Exclusion of interest results in a 17 per cent movement in expenses.

Group cash flow went from \$10.6 million in 1979 to \$14 million, aided by a jump in "extraordinary" items (including the sale of General Finance shares) and a 25 per cent lift in depreciation.

The relationship of cash flow to total assets (and CPD carries realistic asset values in the books) improved from 9.2 per cent to 10.8 per cent, a reasonable return for a company with heavy investment in construction and engineering.

A combination of those factors, plus the tight forward position in engineering and construction, makes CPD a sifter for either a raid, or a full offer, assuming a potential interested buyer has sufficient funds. A raider is hard to stop, at any time, depending on how much he wants to buy.

A full offer would require at least \$55 million, probably in cash. The only group with that money would run into trouble, because the result would be a virtual monopoly of the local construction and heavy engineering industries.

And we all know the only company likely to be involved in such an exercise. Any offer would raise the problem of balancing shareholder interest against "national interest", leaving directors and executives in the middle.

The strong balance sheet may be too strong. Net asset backing was \$3.81 on March 31, but the share price last week was around \$1.90. The shares are widely held, even among the large holdings.



INVESTMENT DIAMONDS

Certified quality diamonds have greatly appreciated in value during the past years due to their portability, concentrated wealth, beauty, controlled market and rarity. New Zealand Diamond Exchange is the leading direct source diamond company offering fine quality diamonds for investment at exceptionally good value. All diamonds are guaranteed by Certificate. Write for free brochure or telephone collect.

New Zealand
Diamond Exchange Limited

LEVEL 6, 2 WHITAKER PLACE,
P.O. BOX 2103, AUCKLAND PHONE 798-210



9 1/2 percent per annum interest on your investment - and take it out whenever you want.

Have your money on tap and still earn 9 1/2% per annum

This investment opportunity from National Mutual Deposit and Loan Company Limited, allows you to have your money back when you ask for it - and yet while it's with us, your savings are earning 9 1/2 per cent interest every year, on a daily basis.

Higher interest rates if you can leave your money with us

If you can manage without your savings for a set period, National Mutual can give you higher interest rates.

Our Secured Deposits pay:

- 14 1/2 percent per annum for 3 years
- 14 percent per annum for 2 years
- 13 1/2 percent per annum for 1 year
- 12 1/2 percent per annum for 9 months
- 12 percent per annum for 6 months
- 11 1/2 percent per annum for 3 months

• National Mutual Deposit and Loan Company Limited, is a wholly-owned and controlled subsidiary of the National Mutual Life Association of Australasia Limited, which has undertaken to advance such sums to the Company as may be required to meet deposits on maturity.

• The Companies Act requires that deposits cannot be made except with application forms supplied with a Prospectus. To obtain these, send this coupon, or contact your nearest National Mutual agent, or District Office.

Registered Office:
National Mutual Centre
70 The Terrace Wellington
Telephone: 737-070
Established 1872

The Manager
National Mutual Deposit and Loan Company Limited
P.O. Box 47
WELLINGTON

Please send me a Prospectus and Application Form in respect of secured deposit investments at 9 1/2 per cent per annum, which I can take out whenever I wish, or on longer term investment returning up to 14 1/2 per cent per annum.

Name: _____
Address: _____

Rising prices no succour

RISING share prices for selected stocks have done nothing for companies in unfashionable industries. Last week there were 39 shares on the official list with a dividend yield of more than 10 per cent.

Several were stocks which are rarely traded, either because they have a small capital, or a few people control most of the shares on issue and have no intention of selling.

The two factors limit the companies' attraction to institutions. The latter require sizeable parcels to cover administration costs and to allow ready disposal when portfolios are reviewed.

But there are some big companies among the 39, including Andrews and Beven (10 per cent yield last week), Ballins (10 per cent), Dominion Breweries (11.6 per cent), Dunlop (10.8 per cent), Golden Bay Cement (11.7 per cent), Independent News (10.1 per cent, ex issue), Lion Breweries (7.1 per cent), NZ Cement (11.9 per cent), and NZ Motor Corporation (10.4 per cent).

Those companies, plus the other 30, are a cross-section of groups operating in difficult

industries. Other companies in the same industries are yielding just under 10 per cent, particularly in the textile industry, although several organisations coming into that sector are above 10 per cent.

The high yields tend to go with a low dividend cover, which is another indication of profitability problems in the particular industries.

Institutional investors may take a different view, however (irrespective of whether the company pays a dividend), as they can sit on a high yield and better times come, they can gain, having received a reasonable income over the long period.

The tax question is also different. Investment in shares is subject to a 60 per cent marginal tax rate, while investment in bonds is subject to a 30 per cent marginal tax rate. The 60 per cent rate is a disadvantage, particularly for those who prefer a simple life to tax-cutting ups and downs could find such investment satisfactory. If a sizeable tax-free payment is included in the dividend.

for unfashionable stock

on a marginal tax rate of 60 cents in the dollar to leave the shareholder with the after-tax equivalent of Dunlop's 40 per cent.

The institutions do not have that problem, which explains part of the current interest in Dunlop, which sold at \$3.70 last week, having dropped back earlier in the year from \$4.00 dividend to \$3.30 ex dividend.

The company has a harder time in the current terms, given the state of the industries it services, particularly motor vehicles, but a buyer at \$3.35 in June is showing a capital gain of 10.4 per cent before brokerage in only two months. Profit in the first half was down 10.4 per cent. At \$3.35 the dividend yield (assuming continuation of the 40 per cent rate) was 11.9 per cent, and that is big bikkies in an institutional portfolio when combined with the capital appreciation.

Lion Breweries was ex a 6.5 cents final dividend last week of which 1.5 cents (3 per cent) was from tax-free sources. Taking the total payment of 10 cents, with a 5 cents tax-free element and last week's 11 per cent yield, an individual on a 60

cents marginal tax rate would need a pre-tax return of 19.25 per cent to give an after-tax yield of 11 per cent.

Brewery stocks are out of favour for many reasons, including the downturn in beer consumption, high imports (and consequent sales to consumers) of Australian canned beer, and the oppressive control system, which results in licensing from the initial manufacture, through distribution, to sale, and the conditions under which the product can be consumed in hotels and taverns.

But the breweries are unlikely to reach the stage where the shareholders forego a dividend, and they could improve their price by a few cents. Holding a share only for yield, or modest capital gain, may seem sterile when the heady action is in forestry and energy, but those who prefer a simple life to tax-cutting ups and downs could find such investment satisfactory. If a sizeable tax-free payment is included in the dividend.

NOTE: The writer neither owns nor has a beneficial interest in any of the companies discussed here.

ALL-IN-ONE COMPUTER FROM HEATH
kitset or fully assembled

Available from:



3 Fenton St, Eden Terrace, Auckland
44 Oxford Terrace, Lower Hutt
17 Waller Terrace, Christchurch

Phone 770-924
Phone 698-272
Phone 795-966

P.O. Box 6949
P.O. Box 30-651
P.O. Box 4242

CPU
The popular Z80 microprocessor gives you abundant computer power. It features a 2 msec. real time clock, 48K of user RAM, and two complete serial I/O ports with standard RS-232C interfacing for printers and modems.

SOFTWARE
EDOS Operating System Software includes BASIC interpreter, 2-pass absolute assembler, text editor to prepare source code for BASIC and other languages, console debugger for easy debugging, and full set of disk utility programs for convenient file manipulation. Microsoft BASIC includes IF-THEN-ELSE control structure for more highly structured programming, plus powerful edit and file management facilities, string processing functions, automatic line numbering and renumbering, double precision for extended accuracy, and random disk I/O for faster throughput.

DISK STORAGE
Console disk: The built-in disk is a 5 1/4-inch floppy disk with 100K bytes of storage. It gives you instant loading and fast go-out. 287 Dual Disk: Adds two more 5 1/4-inch drives in a separate external housing. Combined with the Z80's built-in drive, you get a total online storage of 300K bytes on three drives for significantly enhanced merging, sorting and copying capabilities.

O'Brien on business

US dollar value offers bright spot in oil import bill

THE massive bill that New Zealand faces for oil imports has one bright spot; most of it is paid in United States dollars.

There would be a big problem if we had to cover that payment in sterling, because the free market rate of the pound against the New Zealand dollar has appreciated 9 per cent since the beginning of 1980.

Last week the quoted spread in London was 2.4305 to 2.4355 dollars to the pound. At the end of 1979 the range was 2.2345 to 2.2405.

The movement in the American dollar, on the other hand, is only 1 per cent over the same period. The London range at the end of 1979 was 1.0115 to 1.0200. Last week it stood at 1.0210 to 1.0220.

The effect of the different

JUNE YEAR IMPORTS PAYMENTS \$NZ MILLION

	1978	1980	Per cent increase
Britain	683.7	796.8	20.5
United States	680.1	1364.1	52.1
Total Imports	3396.5	4366.7	28.3
Britain as per cent of total	18.5	18.2	-
United States as per cent of total	20.2	30.8	-

movements can be seen by reference to the Reserve Bank's summary of payments for imports and receipts for exports in the June years for 1979 and 1980.

The bank gives cash account figures for country of settlement, as well as country of origin/destination of the goods. The bank's figures are not to be confused with the overall balance of payments figures from the Department of Statistics, because the former

only account for cash transactions, while the latter bring in accruals.

The table shows the comparative figures for US dollars and sterling receipts and payments. The substantial amount for US dollar transactions includes the bulk of our oil imports, for which the US dollar is the standard currency of settlement.

We included the relationship between each currency and total receipts and payments to

round out the table. The lower proportion of export receipts relating to Britain and the United States results from a substantial (112 per cent) increase in export receipts from "other countries", in the Reserve Bank's classification, after allowance for our major trading partners: Australia, Japan, EEC, "other OECD" and Asia/Oceania as well as the United States and Britain. The "other countries" payments for our exports jumped from \$296.6 million in 1978-79 to \$628.6 million in the year to June 1980.

Whether we got much of a volume increase in our goods from Britain is an open question, because the effects of overseas inflation have to be taken into account, in addition to the exchange rate movement.

EXPORT RECEIPTS \$NZ MILLION

	1978	1980	Per cent increase
Britain	747.0	842.5	12.3
United States	622.5	711.0	14.2
Total Exports	4103.5	5144.8	24.1
Britain as per cent of total	18.2	16.3	-
United States as per cent of total	15.2	13.8	-

But we would be worse off in our cash outflow for imports if oil was settled in pounds.

Oil is one of the reasons for the strong pound. The benefits from North Sea oil are felt in the currency movements, but there are problems for the British economy in a rapidly rising pound, given the chronic state of British industry and its difficulties in competing against other countries even in "normal" times.

Rapidly rising interest rates on London money markets are another principal reason for the pound's improvement in the last 18 months or so (when the appreciation rate against the NZ dollar has been 28 per cent; anyone remember the happy days of late 1979 when \$NZ1.90 got you 1 pound sterling?).

While we might have "saved" some exchange through settling oil imports in US dollars, the invisible transactions affect the overall

payments. Australia had the greatest gain from our imports in 1980 (probably due to emigrants transfers and travel to Australia) but Britain is still in top slot, with no advantage over us of \$NZ282 million.

Freight rates, insurance, interest and travel account for the bulk of that amount. Recently returned travellers from England tell of "culture shock" when they (a) saw the price even in pounds, and (b) had to change NZ dollars at the going exchange rate.

Anyone would get a shock when a 600 millilitre bottle of lager beer (a pint for you imperial measure devotees) cost the equivalent of \$NZ1.56, and 20 cigarettes sets the anti-smoking brigade back \$NZ1.94 (10 pence). And a decent meal: two in a reasonable restaurant (including VAT and some charge) will now leave a change out of \$NZ60, before paying for the vino.



UNIVERSITY OF
WAIKATO

PROFESSOR OF MANAGEMENT STUDIES

(Vacancy A 80-8)

The University of Waikato will be proceeding shortly to consider a Professorial appointment to the position of Head of the Department of Management Studies. The vacancy arises from the pending retirement of Professor G.J. Schmidt on July 1, 1981. It is desirable that the appointee join the university before that date.

The University invites enquiries from, and suggestions concerning, persons with appropriate academic qualifications.

The University would consider favourably the appointment of a person with experience at a very senior level in management of a business or government organisation or in a professional career in management. A real interest in management education is essential. The University seeks these qualities to sustain leadership and innovation in a fast-growing educational field of National Importance.

The Department of Management Studies is a multidisciplinary department teaching many areas of Management, including Accounting and Finance, Management Law, Organisation Behaviour, Marketing, Industrial Relations, Production Management, Management Systems and Business Policy. There are some 600 students and 28 teaching staff including five professors. The four year degree programme for Bachelor of Management Studies which is offered in conjunction with the Departments of Computer Science, Economics and Mathematics, was inaugurated in 1972 and is well established and highly regarded. Research and consulting services are an important part of the Department's activities and its reputation. The Department's Research Project enjoys wide recognition. The position will carry an annual salary within the range of professors approved for New Zealand Universities. Enquiries and suggestions may be directed to the following:

Dr. D.R. Llewellyn, Vice-Chancellor
University of Waikato, Hamilton
Zealand. (Telephone Hamilton 82-1111)
Enquiries and suggestions should be made by September 1980.
Should it so wish, the University may also accept an invitation.

Stock Exchange weekly review

FOR WEEK FRIDAY AUGUST 15 TO THURSDAY AUGUST 21



	Last sale	Week's high	Week's low	Turnover
AT&T	125	125	125	500
IBM	125	125	125	500
GE	125	125	125	500
Westinghouse	125	125	125	500
General Electric	125	125	125	500
Rockwell	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas	125	125	125	500
Northrop	125	125	125	500
Grumman	125	125	125	500
Boeing	125	125	125	500
Lockheed	125	125	125	500
McDonnell Douglas				

Political will needed to back official optimism

by Colin James

DESPITE the aggressive public pessimism of Prime Minister Robert Muldoon, work behind the scenes on the "closer economic relationship" between Australia and New Zealand will intensify over the next few months.

Deputy Prime Ministers Doug Anthony, of Australia, and Brian Talboys, of New Zealand, made it clear after their talks in Canberra 10 days ago that they are expecting full reports from officials by the end of the year.

This will be safely after the Australian federal elections and nearly a full year before the due date of ours.

I understand the intention — at least at deputy prime ministerial level — is that by the end of the year both Governments should have a clear idea of how

far it is possible to go towards meeting the aims laid down by Prime Ministers Muldoon and Malcolm Fraser in March.

Those aims were:

- The new trading arrangement should cover all goods;
- There should be a high degree of "automaticity" — any transitional arrangements should allow as little opportunity as practicable for subsequent intervention by the two Governments to slow down progress towards the goal of free trade;
- Very few goods should be excluded from the new arrangement.

This was to be achieved by dividing all goods into three categories — one in which there would be immediate free trade, one in which there would be a phased transition to free trade and a two-hard group.

One possible technique for

achieving the desired "gradual and progressive" liberalisation of trade was thought to be a 10 per cent a year increase in New Zealand import licences and Australian tariff quotas.

It is notable that in talks on the now-defunct textile and garment agreement in Canberra this month, New Zealand offered a 10 per cent increase in licences specifically for Australian goods — though only for the year 1981-82.

In the heady days immediately after the March meeting, there were hopes that the two countries would be ready to exchange lists of goods for the three categories by mid-year.

But the detailed preparatory work was more complex and took longer than expected.

I understand Australian officials had reached the third draft categorisation by the time of the Canberra talks. The

process on this side of the Tasman was less far advanced.

It took several months alone, for instance, to identify exactly what is produced in New Zealand in each customs item code — a prerequisite to assessment of the likely impact of any particular breakdown of categories.

In the meantime, an early co-operative attitude by manufacturers had cooled a little. In May the New Zealand Manufacturers Federation and the Confederation of Australian Industries (CAI) agreed that "it was quite likely that some form of positive agreement would emerge", but added that "it was anticipated that no substantive changes would be likely to commence for at least two to three years".

Nevertheless, the two organisations agreed on a programme of study — on non-tariff trade barriers (notably export incentives), legal questions and general trade information.

There was tentative agreement also on some other issues at the heart of the proposed closer economic relationship (CER).

Some progress on potential stumbling blocks has been made. The two countries' dairy industries have agreed on a trade restraint arrangement which has removed Australian fears that the market there might be flooded by New Zealand cheese and butter.

The problem of "intermediate goods" — components and raw materials — is also now seen on the Australian side as less of a problem than it was in March.

For one thing, New Zealand has discovered it is not an Australian issue alone. For another, the Australians see it as potentially soluble through area content rules and resolution of the differences in export incentives between the two countries.

At the Canberra talks Australia countered a New Zealand bid for free trade in whiteware with a suggestion that the area content rule for whiteware be raised from 50 per cent — which allows New Zealand refrigerator exporters to buy compressors on the world market — to 85 per cent, which would force them to use more expensive Australian compressors.

The Canberra talks got nowhere on whiteware. Nor did they get anywhere on wallets, where New Zealand was willing to exchange limited access to its market for unfettered access to the Australian market.

Some progress was made on carpets — up 400,000 square metres each way — because the industries in the two countries had agreed.

But none was made on apparel, where the Australians insisted on dollar-for-dollar reciprocity in any expansion of the existing limited agreement on preferential two-way access. The agreement was scrapped.

It is now clear that Muldoon's complaints before the talks about Australian in-

transigence centred on this issue. Both at the National Conference at the end of July and again last week at the Auckland Manufacturers Association dinner, Muldoon said the Australian dollar-for-dollar attitude on apparel threatened the whole CER exercise.

Whether this is a negotiating ploy by a Muldoon still hoping for a freer trading arrangement or is designed to provide an escape route for a Muldoon getting pre-election could not be clear.

The Mulgill closure has helped Cabinet restructuring zeal (and there is sensitivity to Australia on textiles, clothing and footwear — the *Fast Government* facing a new season, opted on August 14 the status quo in that industry, a contradiction of a recent Industries Assistance Commission).

But two things have become clear.

• Both officials and industry representatives in Australia are no longer interested at least for the time being in time-consuming haggling over details in the New Zealand Australia Trade Agreement (NZTA) framework.

• Whatever Muldoon's public pose, CER work at official level will continue on a positive note.

Ahead lies the necessity of a substantial agreement with industry representatives in each country and between officials on a basis for dialogue goods into three categories.

Find a basis for the knotty non-tariff issues — export incentives, structures, subsidies, government procurement policies, energy and resources price, and the problems associated with intermediate goods.

There is optimism at official level that solutions can be found — provided politicians have the will to do so.

At the moment it appears there is more will in Australia than New Zealand. That is probably because it has less to sink.

transigence centred on this issue. Both at the National Conference at the end of July and again last week at the Auckland Manufacturers Association dinner, Muldoon said the Australian dollar-for-dollar attitude on apparel threatened the whole CER exercise.

Whether this is a negotiating ploy by a Muldoon still hoping for a freer trading arrangement or is designed to provide an escape route for a Muldoon getting pre-election could not be clear.

The Mulgill closure has helped Cabinet restructuring zeal (and there is sensitivity to Australia on textiles, clothing and footwear — the *Fast Government* facing a new season, opted on August 14 the status quo in that industry, a contradiction of a recent Industries Assistance Commission).

But two things have become clear.

• Both officials and industry representatives in Australia are no longer interested at least for the time being in time-consuming haggling over details in the New Zealand Australia Trade Agreement (NZTA) framework.

• Whatever Muldoon's public pose, CER work at official level will continue on a positive note.

Ahead lies the necessity of a substantial agreement with industry representatives in each country and between officials on a basis for dialogue goods into three categories.

Find a basis for the knotty non-tariff issues — export incentives, structures, subsidies, government procurement policies, energy and resources price, and the problems associated with intermediate goods.

There is optimism at official level that solutions can be found — provided politicians have the will to do so.

At the moment it appears there is more will in Australia than New Zealand. That is probably because it has less to sink.

At the moment it appears there is more will in Australia than New Zealand. That is probably because it has less to sink.

At the moment it appears there is more will in Australia than New Zealand. That is probably because it has less to sink.

At the moment it appears there is more will in Australia than New Zealand. That is probably because it has less to sink.

At the moment it appears there is more will in Australia than New Zealand. That is probably because it has less to sink.

At the moment it appears there is more will in Australia than New Zealand. That is probably because it has less to sink.

At the moment it appears there is more will in Australia than New Zealand. That is probably because it has less to sink.

At the moment it appears there is more will in Australia than New Zealand. That is probably because it has less to sink.

At the moment it appears there is more will in Australia than New Zealand. That is probably because it has less to sink.

At the moment it appears there is more will in Australia than New Zealand. That is probably because it has less to sink.

At the moment it appears there is more will in Australia than New Zealand. That is probably because it has less to sink.

At the moment it appears there is more will in Australia than New Zealand. That is probably because it has less to sink.

At the moment it appears there is more will in Australia than New Zealand. That is probably because it has less to sink.

At the moment it appears there is more will in Australia than New Zealand. That is probably because it has less to sink.

At the moment it appears there is more will in Australia than New Zealand. That is probably because it has less to sink.

At the moment it appears there is more will in Australia than New Zealand. That is probably because it has less to sink.

Another chapter closes in continuing wages saga

by Jack Hodder

THE introduction of legislation to repeal the Remuneration Act 1979 marks the end of another chapter in the continuing story of New Zealand Governments' attempts to inhibit the rate of increase of money wages. It does not mark the beginning of a move by the Government out of the business of regulating central economic matters.

The Remuneration Act Repeal Bill has three main features:

- The repeal of the Remuneration Act 1979;
- But, notwithstanding such repeal, the continuance of existing regulations made under that Act. These relate to the Auckland Bulk Freight Forwarders (Stores) Employees Award, the Engine Drivers, Boiler Attendants, Firemen and Greasers Award and the recent 4 per cent general increase;
- The amendment of the Waterfront Industry, Higher Salaries Commission and State Services Conditions of Employment Acts to enable general cost-of-living increases made by regulations under the Economic Stabilisation Act 1948 to be passed on to wages and salaries set under those Acts.

Conspicuous by their absence are (i) resurrection of the General Wage Orders Act (repealed by the Remuneration Act) and (ii) companion legislation repealing the extended price restraint provisions of last year's Commerce Amendment Act.

The latter Act continues to provide that the Government may make regulations imposing price restraint either generally, on classes of goods and services, on particular goods and services or on goods or services sold by particular persons. Such price restraint may not only limit price increases and profit margins on goods or services but also limit the profit of any business.

What the Repeal Bill does mean is that the Government will fall back to the use of the Economic Stabilisation Act as its major legislative weapon in the remuneration arena.

It was that Act that was used to rewrite the meatworkers' award in 1978. And the wide terms of that Act have recently emerged unscathed from a test case in the High Court.

The Economic Stabilisation Act was passed towards the end of 1948. It re-enacted some of the provisions first enacted in 1942 as War Emergency Regulations. The then Labour

Minister of Industry and Commerce, Arnold Nordmeyer, introduced the Bill and justified it in terms of the necessity to keep prices, costs and wages from inflating and to protect the currency.

The Parliamentary Debates record a vigorous reaction to the Bill from the then National Opposition. There was much mention of "arbitrary powers" in the hands of the Minister and the need for some test of reasonableness to be written into the Bill. But the Bill became law and has been unblushingly used at regular (and decreasing) intervals by both Labour and National Governments.

The Economic Stabilisation Act has become the standard tool for effecting Government economic management. That is because of the terms of the legislation and the wide executive discretion they confer. Section 3 of the Act states baldly: "The general purpose of this Act is to promote the economic stability of New Zealand."

Section 4 then charges the Minister of Trade and Industry with the general function of "doing all things that he deems necessary or expedient for the general purpose of this Act, and in particular for the stabilisation, control, and adjustment of prices of goods and services, rents, other costs, and rates of wages, salaries, and other incomes."

Then there is the regulation making power in section 11: "The Governor-General may from time to time, by Order in Council, make such regulations as appear to him to be necessary or expedient for the general purpose of this Act and for giving full effect to the provisions of this Act." Without limiting that general power, s.11 goes on to indicate that regulations may be appropriate for "regulating the marketing of any goods or classes of goods for the general purpose of this Act."

That the wide scope of the language in the Act means just what it says has been confirmed by the Court of Appeal. In 1972 the Shop Employees' Association claimed that certain of the Stabilisation of Remuneration Regulations made in that year were invalid insofar as they made Arbitration Court orders subject to the consent of the Remuneration Authority. The association argued that the regulations were not authorised by the Economic Stabilisation Act and, in any case, were repugnant to the Industrial Relations Act (under which the Arbitration Court was given its jurisdiction).

Both arguments failed. Then president of the Court of Appeal, Sir Alexander Turner, considered that the regulation-making power in s.11 of the 1948 Act deserved a "liberal" interpretation: "the legislature in enacting it must be taken to have intended to create a wide and general power against contingencies the exact nature of which it was unable at the moment of passing the Act to foresee."

In 1977, Mr Justice Perry in the Auckland Supreme Court was prepared to hold that the Economists Stabilisation (Rent) Regulations 1976 were invalid because they were repugnant to and in conflict with a specific statute, the Rent Appeal Act.

Most recently, in June of this year, the scope of s.11 of the Act came before Mr Justice Jeffries in the Wellington High Court in a test case on the validity of

the carless slays regime imposed by the Economic Stabilisation (Conservation of Petroleum) Regulations (No 3) 1979.

In a judgment which will have heartened the Minister of Energy (if not constitutional lawyers) it was held that regulations were valid: s.11 expressly contemplates regulation of the marketing of goods and carless slays, by controlling the use of motor vehicles which consume petroleum products, indirectly regulated the marketing of such products.

Mr Justice Jeffries dismissed in a single sentence the submissions that the regulations were repugnant to either the International Energy Act 1976, (which specifically provides for motor spirits consumption regulations after a "petroleum emergency" has been de-

clared), or the Transport Act 1962 (which generally governs the use of motor vehicles) or common law rights to the use and enjoyment of private property. His observation that "the number of times the (regulation-making) authority has been used by successive governments has been restrained" may also not win universal commendation.

In an era marked by the growth of judicial review of administrative and executive action, the restrained approach of the courts to the Economic Stabilisation Act is perhaps surprising. But with the authority of the Court of Appeal behind it, that approach is unlikely to alter.

Surprisingly, but encouragingly, the Statutes Revision Committee of Parliament has emerged to exercise some restraint upon the use of wide

regulation-making powers. Or at least it has said that it will.

The committee's recent report on the Remuneration (New Zealand Forest Products) Regulations made earlier this year (and since revoked) includes a number of very useful recommendations and a reiteration of the committee's desire to improve the quality of subordinate legislation.

But it has to be remembered that Statutes Revision's role is one of technical scrutiny and its powers are limited to drawing matters to the special attention of the whole House. Policy matters (the limits of which are not easily defined) are not within that committee's jurisdiction.

Nor is the fundamental policy question: whether the continued existence of the Economic Stabilisation Act is justified?

Nor is the fundamental policy question: whether the continued existence of the Economic Stabilisation Act is justified?

Nor is the fundamental policy question: whether the continued existence of the Economic Stabilisation Act is justified?

Nor is the fundamental policy question: whether the continued existence of the Economic Stabilisation Act is justified?

Nor is the fundamental policy question: whether the continued existence of the Economic Stabilisation Act is justified?

Nor is the fundamental policy question: whether the continued existence of the Economic Stabilisation Act is justified?

Nor is the fundamental policy question: whether the continued existence of the Economic Stabilisation Act is justified?

Nor is the fundamental policy question: whether the continued existence of the Economic Stabilisation Act is justified?

Nor is the fundamental policy question: whether the continued existence of the Economic Stabilisation Act is justified?

Nor is the fundamental policy question: whether the continued existence of the Economic Stabilisation Act is justified?

Nor is the fundamental policy question: whether the continued existence of the Economic Stabilisation Act is justified?

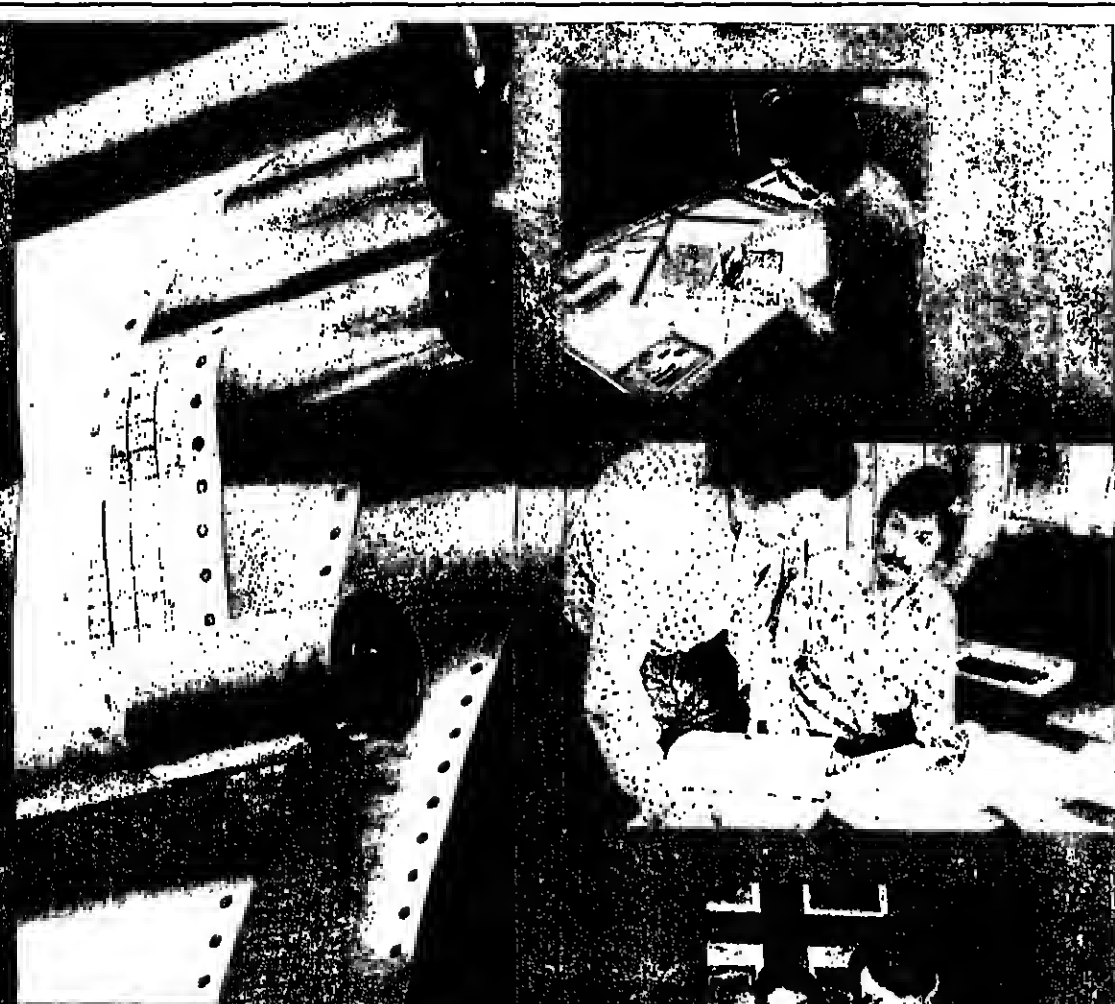
Nor is the fundamental policy question: whether the continued existence of the Economic Stabilisation Act is justified?

Nor is the fundamental policy question: whether the continued existence of the Economic Stabilisation Act is justified?

Nor is the fundamental policy question: whether the continued existence of the Economic Stabilisation Act is justified?

Nor is the fundamental policy question: whether the continued existence of the Economic Stabilisation Act is justified?

Nor is the fundamental policy question: whether the continued existence of the Economic Stabilisation Act is justified?



Meet the "Yes Men" of IBF

These are the "Yes men" of IBF. The men who say "yes" to all manner of requests. They say "yes" when you ask them to print the most complex or colour business forms. "Yes" to CTO with black or blue carbon. "Yes" to 12 port terminals with each sheet a different colour. They say "yes" to total portable design, links and systems analysis projects. "Yes" to continuous stationery for every need. To demanding deadlines they not only say "yes" but they beat them most of the time. If these are the sort of answers you've been waiting for, with the performance to prove it, isn't it time you gave them the nod? The "Yes men" are (Sales Team): Peter Homer, Phil Perroll, John Vigers, Maurice Woods. (Support Team): Mike Keown, John Dryden, Denis Wadsworth, Dave Rowbottom, Glyn MacDonald.

IBF INTERNATIONAL BUSINESS FORMS LIMITED

- AUCKLAND SALES OFFICE
Phone: 818-5384 or 818-5445
- HAMILTON SALES OFFICE
Phone: 85608
- WELLINGTON SALES OFFICE
Phone:

What's the difference in shopping in Hong Kong and Sterling Nicholas?

Very little. Hong Kong's further and has more shops, but you'll be delighted with our prices. At Sterling Nicholas' showrooms you can have the pick of the world's best. Jewellery, precious stones, furs, electronics, photographic, watches. But we have one real difference: we guarantee your satisfaction. Write for an illustrated brochure.

Sterling Nicholas Duty Free

108 Pitt Street • Great Hotel, 108 Pitt Street, 113 Oxford Street, Darlinghurst, New South Wales, Australia. Telephone 33 9991

Collier Fletcher Real Estate MREINZ
For all your office — warehouse — factory needs
Property Management & Consultancy
Auckland 33-508 Wellington 723-529 Christchurch 798-521
and 15 offices in
New Zealand, Australia, Hong Kong & Singapore.

PROCENT
Friendly Computer Systems to meet your needs exactly
AUCKLAND 798-877 • WELLINGTON 688-014
also at Sydney, Melbourne & Los Angeles

KEYLOCK IS KING

HIGH-LEVEL STORAGE AT THE NATHAN DISTRIBUTION WAREHOUSE, WIRI

A VERTICAL RACKING NETWORK REACHING TO 12.8 METRES HIGH — installed to a tolerance of less than the thickness of a 10 cent coin every 3 metres!

THE NATHAN DISTRIBUTION WAREHOUSE AT WIRI, MANAKAU CITY, IS TRULY STORAGE ON A KING-SIZE SCALE — both in the area being covered and the extreme height of the installation.

Constructed with a minimum of internal columns, the store features a KEYLOCK vertical racking network which reaches as high as 12.8 metres (42ft). MERCHANDISE IS STORED AND RETRIEVED AT SEVEN DIFFERENT LEVELS BY A COMBINATION OF BATTERY-OPERATED FORK-LIFTS, REACH OR TURRET TRUCKS AND HIGH-LEVEL ORDER PICKERS. Because the turret trucks and high-level order pickers operate within very tight tolerances, exceptional accuracy was of prime importance; plus or minus 1.5mm in 3000mm (less than the thickness of a 10 cent coin every 3 metres). The amalgamation of strength, versatility, precision engineering and expert installation, is what makes KEYLOCK the number one name in pallet racking.

Contact your nearest Hamilton Perry Industries Office: arrange for a representative to call and explain the KEYLOCK way to efficient, adaptable, dollar-saving warehouse storage.

Phone or write for a FREE copy of the new KEYLOCK colour brochure. It tells all you want to know about storage racking.

Hamilton Perry STORAGE SYSTEMS

Keylock manufactures and distributes all types of storage systems.

Hamilton Perry Industries Ltd.
Units 10/11, 12/13, 14/15, 16/17, 18/19, 20/21, 22/23, 24/25, 26/27, 28/29, 30/31, 32/33, 34/35, 36/37, 38/39, 40/41, 42/43, 44/45, 46/47, 48/49, 50/51, 52/53, 54/55, 56/57, 58/59, 60/61, 62/63, 64/65, 66/67, 68/69, 70/71, 72/73, 74/75, 76/77, 78/79, 80/81, 82/83, 84/85, 86/87, 88/89, 90/91, 92/93, 94/95, 96/97, 98/99, 100/101, 102/103, 104/105, 106/107, 108/109, 110/111, 112/113, 114/115, 116/117, 118/119, 120/121, 122/123, 124/125, 126/127, 128/129, 130/131, 132/133, 134/135, 136/137, 138/139, 140/141, 142/143, 144/145, 146/147, 148/149, 150/151, 152/153, 154/155, 156/157, 158/159, 160/161, 162/163, 164/165, 166/167, 168/169, 170/171, 172/173, 174/175, 176/177, 178/179, 180/181, 182/183, 184/185, 186/187, 188/189, 190/191, 192/193, 194/195, 196/197, 198/199, 200/201, 202/203, 204/205, 206/207, 208/209, 210/211, 212/213, 214/215, 216/217, 218/219, 220/221, 222/223, 224/225, 226/227, 228/229, 230/231, 232/233, 234/235, 236/237, 238/239, 240/241, 242/243, 244/245, 246/247, 248/249, 250/251, 252/253, 254/255, 256/257, 258/259, 260/261, 262/263, 264/265, 266/267, 268/269, 270/271, 272/273, 274/275, 276/277, 278/279, 280/281, 282/283, 284/285, 286/287, 288/289, 290/291, 292/293, 294/295, 296/297, 298/299, 300/301, 302/303, 304/305, 306/307, 308/309, 310/311, 312/313, 314/315, 316/317, 318/319, 320/321, 322/323, 324/325, 326/327, 328/329, 330/331, 332/333, 334/335, 336/337, 338/339, 340/341, 342/343, 344/345, 346/347, 348/349, 350/351, 352/353, 354/355, 356/357, 358/359, 360/361, 362/363, 364/365, 366/367, 368/369, 370/371, 372/373, 374/375, 376/377, 378/379, 380/381, 382/383, 384/385, 386/387, 388/389, 390/391, 392/393, 394/395, 396/397, 398/399, 400/401, 402/403, 404/405, 406/407, 408/409, 410/411, 412/413, 414/415, 416/417, 418/419, 420/421, 422/423, 424/425, 426/427, 428/429, 430/431, 432/433, 434/435, 436/437, 438/439, 440/441, 442/443, 444/445, 446/447, 448/449, 450/451, 452/453, 454/455, 456/457, 458/459, 460/461, 462/463, 464/465, 466/467, 468/469, 470/471, 472/473, 474/475, 476/477, 478/479, 480/481, 482/483, 484/485, 486/487, 488/489, 490/491, 492/493, 494/495, 496/497, 498/499, 500/501, 502/503, 504/505, 506/507, 508/509, 510/511, 512/513, 514/515, 516/517, 518/519, 520/521, 522/523, 524/525, 526/527, 528/529, 530/531, 532/533, 534/535, 536/537, 538/539, 540/541, 542/543, 544/545, 546/547, 548/549, 550/551, 552/553, 554/555, 556/557, 558/559, 560/561, 562/563, 564/565, 566/567, 568/569, 570/571, 572/573, 574/575, 576/577, 578/579, 580/581, 582/583, 584/585, 586/587, 588/589, 590/591, 592/593, 594/595, 596/597, 598/599, 600/601, 602/603, 604/605, 606/607, 608/609, 610/611, 612/613, 614/615, 616/617, 618/619, 620/621, 622/623, 624/625, 626/627, 628/629, 630/631, 632/633, 634/635, 636/637, 638/639, 640/641, 642/643, 644/645, 646/647, 648/649, 650/651, 652/653, 654/655, 656/657, 658/659, 660/661, 662/663, 664/665, 666/667, 668/669, 670/671, 672/673, 674/675, 676/677, 678/679, 680/681, 682/683, 684/685, 686/687, 688/689, 690/691, 6

**Immediate
Delivery**

INTRODUCING THE NEW

Kodak Ektagraphic B-2AR Slide projector.

Projecting the right image at all times.

Any sales conference, business presentation or group discussion can only be enhanced by employing visual aids. You'll be well aware of the lack of attention span with an audio-only type of presentation, and that's why we know you'll welcome the introduction of the new Kodak Ektagraphic B-2AR Slide Projector.

Now immediately available, it will enable you to have the very latest in audio/visual equipment for your organisation at a cost significantly lower than that for other comparable slide projectors.

The new B-2AR operates at 50 or 60 Hz in two voltage ranges - 110 to 130 volts and 220 to 240 volts. When the power cord is plugged in and switched on, the B-2AR automatically sets itself to the available voltage supply.

Focusing can be done away from the machine, and the choice of sharp Kodak EKTANAR lenses and coated internal optics ensures a crisp image with increased brightness, greatly assisting presentations in semi-dark conditions.

The heavy-duty construction of the B-2AR ensures that a certain amount of heavy-handed treatment can be absorbed with no ill effects.

For full technical information and details of accessories and lens options, please telephone or complete the coupon.

PLEASE SUPPLY FULL INFORMATION ABOUT THE KODAK EKTAGRAPHIC SLIDE PROJECTOR, MODEL B-2AR.

NAME

ADDRESS



Motion Picture &
Audio Visual Markets Division
Kodak New Zealand Limited
P.O. Box 2198
Auckland.
Telephone 778-950



Marketing

After spinning the yarn — a book to sell it

by Grev Wiggs

When their end products serve only as the raw material for another manufacturer the marketer is set problems not usually covered by the textbooks.

This is how Feltex Yarns, one of the components of Feltex New Zealand Ltd found the answer.

At its Wainuiomata factory, Feltex Yarns takes woolen tops from its sister factory in Kariki, mixes and blends and then spins the finished yarns.

These yarns are the raw material for the knitting industry.

Mid-1979, the company took stock of the market situation. It faced the sales decline shared by the whole textile industry. There were the unknowns of the then forthcoming Industry Development Commission's report on the textile business. There was the possibility of reduced Government support for the industry and of increased imports. And the entrenched business loyalties between manufacturers and yarn-makers which had tended to perpetuate historic buying patterns and market shares.

The character of the industry was that of a supplier reacting to the demands of a buyer for stipulated yarn types, quantities and colours.

But the company had a strong competitive advantage. Each of its three major competitors were knitters and spinners. Feltex alone was not in competition with its customers.

"It was time we took advantage of the new technology we had at our fingertips," manager

Bill Leigh told NBR, and "freed ourselves from the traditional restraints which applied throughout the industry. It was time to take a fully committed marketing stance".

Last year Leigh was appointed divisional manager. He had mastered the fundamentals of marketing but did not know about yarn spinning.

Leigh decided that a complete marketing plan could only be put together after accurately defining production capacity, production capability and the profitability needs of the business. These factors would in turn set a target for market share.

To achieve the levels of performance required it was essential to develop a communications vehicle which would carry to customers the story of skills, new developments, new yarns and the benefits of buying and using their particular yarns.

"At this point," said Leigh, "we went to the professionals for help".

Feltex set out to recruit an advertising agency based on the assessment of ability to cope with the strategic marketing problem and to work closely with the division. The decision went to Mackay King Advertising.

The agency did its homework and came up with a completely new sales catalogue showing yarns, colours and knitting samples.

And each catalogue was personalised for each customer.

But this was no plain-Jane, and-no-nonsense range of samples knotted on to a piece of



card.

The catalogue bore a title — *The Book of Revelations*, an appropriate word-play. Its romanticised presentation, quality and comprehensiveness set a new level of sophistication for the industry, here and overseas.

The test of the marketing exercise was the trade presen-

tation of the *Book of Revelations*, together with a statement of the Feltex Yarns policy for the 1980s, embellished by a fashion show of garments made from Feltex yarns by Feltex customers.

"We re-emphasised to our customers our commitment to the industry. We promised to support our customers totally

through being aware of their needs and by supplying them with fashion yarns of consistently high quality dictated by fashion trends in the market. We offered them a concept of partnership."

Feltex had moved in one step from the position of order-taker to that of co-operator.

If the *Book of Revelations* was the pretty face of the marketing exercise there still had to be bone and muscle and sinew behind it.

Production quality control systems were improved and refined. Computer systems were developed so that each customer could receive a status report on their orders each week. An information link with the world's fashion centres was established.

Administration was strengthened with new appointments. New apprentice training systems were introduced, including an Outward

Bound course. And a programme of staff communication ensured that all knew what was happening and why.

"The first pay-off we received from the marketing work we have done to date," said Leigh, "was that we were forced to evaluate our actions and activities in the light of the customer's true needs. We understand our customers better and they us."

"The next benefit was in ironing out the off-season production trough. Twilight shifts and overtime, normally suspended in the first half of the year, have been sustained."

"With half of the supply of the *Book of Revelations* in the hands of overseas buyers we have developed export orders from zero base to a million dollar business."

"For us the market is not declining any more."

MANAWATU RADIO COMPANY

Our Company has been awarded a warrant to operate a private commercial Radio Station, broadcasting to the Manawatu, Rangitikei, Horowhenua, Southern Hawkes Bay and Northern Wairarapa region from modern new studios in Palmerston North. We plan to go to air early 1981. We will operate an exciting and enterprising radio station, in keeping with the best of New Zealand Independent radio standards.

Applicants are invited for the following key executive positions on Station 2XS.

GENERAL MANAGER

We seek a top line radio person, a leader and businessman. The job offers a rare chance to start at the top to develop the station to "on-air", and grow even further with our Company. An attractive remuneration package will be offered to the right person.

Applications close on 6th September 1980.

PROGRAMME DIRECTOR

2XS requires a P.D. with the ability to produce a format that is contemporary, informative, involving, and reflects the community we serve. We want a professional. Salary will reflect that requirement.

Applications close on 25th October 1980.

SALES MANAGER

This key role will be filled by a performance orientated individual with a thorough understanding of radio sales (both national and retail) and an ability to motivate a sales team, and market a quality product.

Applications close on 1st December 1980.

NEWS EDITOR

2XS will place emphasis on solid local news coverage. Therefore we seek a News Editor, an experienced radio journalist who can organise a team of full time newscasters plus a network of stringers.

Applications close on 1st December 1980.

Apply in confidence, in the first instance, to:

The Chairman,
Manawatu Radio Company,
P.O. Box 446,
PALMERSTON NORTH.

ADVERTISING OPPORTUNITY PAPUA NEW GUINEA

Creative Group Head

Gordon Sioni Pacific Advertising, Papua New Guinea's largest advertising agency with international affiliations, requires the services of a Creative Group Head in their Port Moresby Office.

The ability to develop basic concepts and render visuals to presentation standard is essential. Duties will also include some supervision of art layout and paste up and on-the-job training of PNG national staff. A working knowledge of copywriting would also be a distinct advantage.

Previous experience in a developing country or a small agency environment is desirable but not essential.

Applicants should be between 25 and 45 years of age. Single or married accommodation is available for a small family. Benefits include an attractive salary package of not less than NZ\$22,000 per annum, free accommodation, five weeks annual leave, accident insurance, a two year contract with a bonus on completion, and return airfares.

Papua New Guinea is an independent Commonwealth nation with a population of three million. Port Moresby, the Nation's capital, has a population of 130,000 including significant number of Australian, New Zealand, and U.K. expatriates. Regular airline services operate to Australia, South-East Asia, Honolulu and Japan.

Recreation facilities include excellent outdoor sporting facilities, licensed clubs, theatres and restaurants. Interviews will be conducted in New Zealand. Interested applicants should apply in writing, in the first instance, to:

Creative Group Head,
c/- P.O. Box 9011,
Wellington.



Media

Ripples of concern over story that wasn't

WHEN BCNZ chairman Ian Cross dropped a hint to Lower Hutt Rotary Club members last month that television licence fees might be increased Radio New Zealand and newspapers carried the story.

But not Television New Zealand, although its viewers had a direct interest in such a possibility.

The events leading up to this non-story have sent ripples of concern about political interference, managed news, and

journalistic integrity among television news people and the Association of Broadcasting Journalists investigated.

After Cross delivered his speech, television news broadcast a headline at 5.55 pointing to an item coming up on the 6.30 news. Shortly after, Cross phoned television news boss Bruce Crossan in Auckland to say his remarks to the Rotary club had been misinterpreted.

Crossan phoned the news desk, warning that the item

might be wrong. By that time it was too late to check back with Cross to find out what he really meant, what he wished he had said, what he in fact said, or what he would like to add.

So the item did not go to air. It appears that Cross's remarks were somewhat ambiguous. The interpretation drawn by the television reporter on the job could have been drawn from the contents of the speech — but other conclusions might also have been

drawn.

Still, the television reporter's summary and conclusions were similar to those drawn by radio and press reporters, and their items were not denied.

Anxious to preserve journalistic integrity, the television reporters tried to check back with Cross next day after receiving a prepared statement from his office. Cross was not available for comment.

By that time the story was becoming about as attractive as

yesterday's mashed potatoes and was dropped. But the incident has left a sour taste in some journalists' mouths.

The point of principle remains. Stung by allegations of bias from the Labour Party, television journalists who have no self-doubts about their professional integrity, want to be sure the public shares those feelings.

The seemingly insignificant incident has been paralleled with news-gathering practices

in days when broadcasting was a fledgling offshoot of the print and Public Department. In those times, politicians often gave the chance to their own scripts to themselves.

No journalist would want a story they knew to be wrong. The story was wrong and the phone call from Cross was a weighty one. It was said by Jim Knox, Rob Maitland, Patricia Bartlett or Mani

Wine

Growers ranked

by Frank Thorp

A WARNING that the Institute is a union of makers concerned to look after their own interests was president of the Grape Growers' Society, Ligan at the recent meeting of the society.

Growers must be aware of the power of the Institute which, though view reinforced by one wine-lover in many the country.

He agreed they must operate with the Institute. The Government should be that the Grape Growers' Society and the Institute should alter the needs of the grape growers and the wine-making.

The Institute's growth is justified by remarks made by distinguished German viticulturist, Dr Helmut Bol, when he inspected the vineyards some time ago. "Phylloxera is rare, and have the healthiest and finest vineyards (the phylloxera) have seen anywhere in the world."

There is only one reason to replant the vineyard at grafted virus-free vines.

New vineyards need a long period and process slow. The distribution of hands of the Wine Institute is our member of the Association of Agriculture and Fisheries.

At a meeting held at Becker's visit, the Wine Institute agreed to allow the Growers' Council representative to sit in on the meeting. But according to the word, Contract Growers they will be the last to the word, slowly dribbles out of time.

The matter was discussed at the meeting, and the investigating committee was asked to investigate the feasibility of becoming members of the Growers' Council.

Growers agreed to a horticultural advisory committee. The committee is composed of Institute members and representatives of the Government. It should be provided by the Growers' Council, including a representative of the Growers' Council.

Egan questioned the payment for grapes. The payment for grapes is made by the Growers' Council, following the meeting.

August 26, 1980

August 26, 1980

Government administration

Paying the costs of complying with government

by Colin James

A DISMAYING report published on August 6 estimated, Australian businesses spent 13 per cent of their net income — or something like the equivalent of \$900 a household — complying with Government regulations in 1978-79.

That figure does not include the cost of maintaining the regulatory agencies.

It raises questions as to how much companies here are paying — and how much it is costing the consumers at the end of the chain.

The report was compiled by the Confederation of Australian Industry — an umbrella body representing most of Australian industry and commerce.

It has two main thrusts: • Measurement of the increasing amount of regulation; and • Data from a secretary of a sample of its members.

It does not claim infallibility.

The investigators found, for example, surprising gaps in information: "... Some governments (the report covers both federal and state regulation) were not even aware of, and could not provide data on the number and nature of regulations which they themselves had made in specific years."

The usable number of company replies — 33 — also requires caution in interpretation.

But the CAI insists, it was conservative in its calculations and extrapolations which lends credence to its conclusions.

It also applied a narrow definition of regulation — "activity taken by governments ... which have the effect of controlling prices; entry into or exit from the marketplace; product standards and patterns of distribution and other significant aspects of economic activity in the marketplace."

It excluded law, order, public safety and health, defence,

social security, tax and statistics collection. And it did not deal with government agencies whose basic purpose is non-regulatory, made no judgments about efficiency and no qualitative judgments as to the desirability of the regulation.

The CAI report first notes the "remarkable growth" of the size of government in Australia over the last decade.

Total Government spending quadrupled (up 298 per cent) compared with a more than doubling (up 132 per cent) of total private sector spending. Government capital spending rose by 150 per cent compared with 90 per cent in the private sector. Sales of Government securities tripled (up 215 per cent) compared with a near standstill (up 8 per cent) in the private sector. Government employment rose by a quarter (26 per cent) and that of the private sector by only 1.4 per cent.

Between 1960 and 1979 federal and state governments passed 16,631 acts and 32,551 regulations. And not only did this pace accelerate between the 1960s and 1970s, but also their average length (and therefore arguably their complexities) grew.

By 1978-79 the direct cost to the federal government of business regulation according to the CAI's narrow definition was "at least" \$304 million.

This was 70 per cent more than in "law, order and public safety", 30 per cent more than on "general and scientific research" and around two-thirds of the total for "industry assistance and development" — and more than four times as high as 10 years earlier (up 333 per cent).

In 1978-79, the report estimates the equivalent of at least 12,467 full-time federal public servants were engaged in business regulation — and that estimate, in some cases, excludes typists and other support staff.

In addition to this, the report estimates, the equivalent of around 16,000 staff were en-



gements alone. In addition another \$9 million was incurred in secondary costs — delays, loss of productivity and increased costs, including increased capital costs.

"The representativeness of the survey respondents, in terms of regulatory costs is unknown," the CAI report says.

"But, given lack of other data sources and the downwards bias in our assumptions and methods of costing, it was considered reasonable to tentatively extrapolate the survey data to a private sector basis."

On such an extrapolation, the report estimates compliance with federal business regulation in 1978-79 cost the private sector \$1080 million, of which \$720 million was direct cost.

Adding in the cost of maintaining the federal agencies, the total cost came to \$1384 million.

But the burden of federal regulation was less than that of regulation by state governments. Direct state compliance costs to the survey companies

were \$43.6 million — more than twice the federal cost.

"On extrapolating the survey results, and making an allowance for secondary costs, it is estimated that direct and secondary costs to the private sector for federal and state business regulation might have been of the order of \$3720 million in 1978-79," the report says.

"This figure is equivalent to about \$900 per household. It does not include the cost of maintaining state and federal regulatory agencies ..."

"Compliance costs (to the survey companies) were equal to 81 per cent of their expenditure on research and development and 13 per cent of their net income."

"In other words for every dollar of net income, the survey respondents spent 13 cents on complying with federal and state business regulation". And it took roughly 15-20 per cent of top executives' time.

Was it all necessary? The report makes no judgment on the desirability of various con-

trols. But it does report a common comment of survey respondents "that company standards in some areas would comply with, or exceed regulatory requirements simply through good business or engineering practices, but the administrative processes of gaining approvals and demonstrating compliance were labyrinthine, cumbersome, conflicting as between federal/state and state/state and did themselves involve substantial unnecessary costs."

The CAI canvasses four proposals to lessen the burden: • "Sunset" clauses in acts and regulations automatically ending their operation unless a positive decision is taken to continue them;

• Submitting new regulations and regulatory programmes to full public scrutiny before their introduction;

• Introduction of programme budgeting by Government agencies so that they can better be evaluated;

• Strengthened parliamentary scrutiny.

Our group health benefits are unfair

to our competition — which means they're very far to you.

Group Health is our name and health care cost protection is our job. A job we've been doing well for almost a decade — paying benefits to thousands of individuals and members of employee groups without hassles, without causing headaches.

Maybe it's time you studied or revised health care cover for you and your staff. Did you know, for example, that we are the only society that rebates 90% of the actual cost of both surgical and medical hospital costs? And that's for any member of the family affected — not just the executive or employee.

We do better by offering flexible "benefit units" so you can meet the soaring costs of surgical or medical needs. And we are known to do better in the way of introducing benefits such as sterilization or oral surgery.

A gel together with one of our representatives will prove worthwhile. You'll discover why unfair is fair. For you, your family and your staff.

Group Health Care

- we do better for you

Phone: Auckland — 771-556, Wellington 735-312, Christchurch 64-930, Dunedin 770-520, Tauranga 89-774

Group Health Co-operative Society Ltd.

HEAD OFFICE: ELIZABETH STREET, PRIVATE BAG, TAURANGA

A not-for-profit society affiliated to the International Federation of Voluntary Health Service Funds.

G.H. 7

NEW MICRON READERS

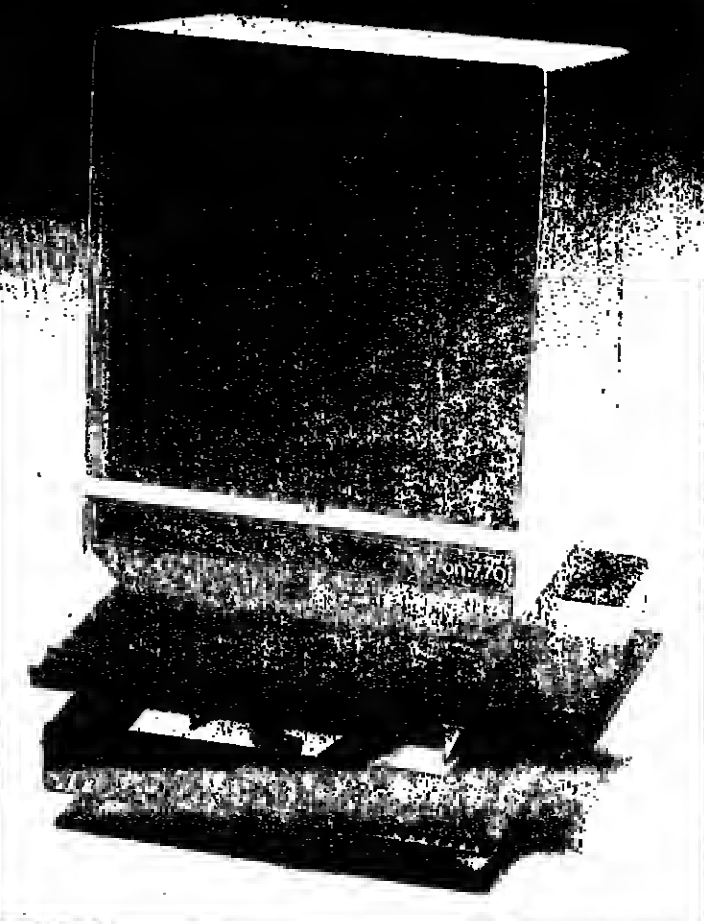
6 clear winners from Micron

Every model in the exemplary Micron reader range features drop-in lenses, 3000 hour lamp with two position switch and fanless convection cooling. Ring us collect for a quotation. Wellington 851-388.

model 770

(The universal reader)

11" x 11" screen accepts all COM and document source fiche. Ideal for inventory control, order entry and record keeping systems. Non glare screen for easy reading.



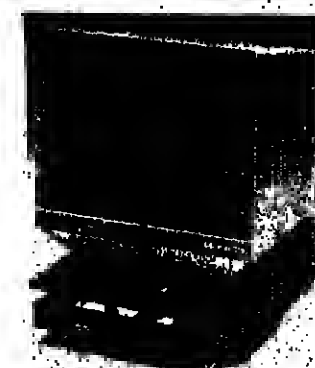
model 750 1/2 size desk top model. Where lack of space is a problem, Micron 750 is the answer. Though small in size this newly-styled reader incorporates all the big advantages of the Micron range.



model 760 380° optical image rotation dual lens capability. Ideal for jackets or COM, projecting either source document or 1/2 COM images with uniform sharpness.



model 775 Front projection 11" x 11" screen. Designed for performance and economy. Ideally suited for source document and COM applications in high ambient areas.



model 780 Full 14" x 11" screen convenience engineered for the user. Wide screen reader delivers standard source document and computer output images (COM) at FULL SIZE.



model 785 Full 14" x 11" screen front projection. Advanced optical system ensures bright extra-sharp images.

Available from New Zealand's leading COM Company.



MICROFILE
A DIVISION OF CHALLENGE CORPORATION LTD.

The best deal in freight.

These days international freighting is an increasingly complex and important operation.

With so many different rates and services available, you need an International Freighting Organization to provide the best possible forwarding advantages worldwide.

LEP International has this organisation and experience ... worldwide.

The results - faster freight movements by Air and Sea, coupled with reduced costs. Making your products more competitive.

To find out how you can make your freighting operation more efficient and profitable telephone your nearest LEP office for an expert no obligation assessment.

LEP International



Auckland 30-395, Wellington 735-359, Christchurch 685-412

part of the family.



Perpetual Trustees

Perpetual Trustees are Professional Administrators employing Solicitors, Accountants, Valuers, Farm Supervisors, Property Supervisors — people whose business it is to manage the assets of our clients for themselves and their loved ones.



Offices at: Auckland • Rotorua • Palmerston North • Wellington • Nelson • Christchurch • Timaru • Oamaru • Dunedin • Invercargill

people who care

THE PERPETUAL TRUSTEES

Estate & Agency Company of New Zealand Ltd

Perpetual Trustees' professional activities include:

- Estate Management
- Agency Services
- Financial Services
- Real Estate Services

For More Information: Ask for Our Brochures

Why thousands cross Tasman

OUR wonderful country has such glorious potential, if only we could eliminate the introduced social disease called "class distinction" and engender throughout our society a true appreciation of the word "productivity" as understood in Japan and West Germany.

Those of us who are left behind ponder on the reasons why thousands of our countrymen have flocked to apparently greener pastures in Australia. This might give some clues.

My daughter recently visited Sydney and bought a crockpot of the same brand as is available in Auckland, except that the Auckland version has an inferior plastic lid; the Sydney version has a pyrex lid. The cost in Sydney, \$23. The cost in Auckland, \$53.

My neighbour wanted a pair of remote-controlled aerials for his Jaguar. A friend in Sydney bought them there. The cost in Sydney, \$13 each (\$26 the pair). The cost in Auckland, \$76 each (\$152 the pair).

A builder acquaintance is in the process of selling off his New Zealand assets and re-establishing his business in Queensland. He arrived in Auckland and bought a new toilet pan and pipe for one of his properties but was horrified at the price because he had bought the same article in Queensland last week for a property there. The price in Queensland, \$53. The price in Auckland, \$124. (He is making a greater profit

building houses in Queensland for \$18 per square foot than he was able to make in Auckland building houses at \$30 per square foot).

Our ridiculous pricing and continuous galloping inflation is often blamed by our mediocre politicians, on external influences over which they claim, we have little control.

I suggest that these external influences play only a relatively minor part in our continuing economic woes. Most of our problems are the inevitable result of four groups within our society and the correction of these problems lies within our own internal operations.

(1) Irresponsible unions are often discussed, but their real threat to society lies in the padding of numbers and resistance to changed methods to improve technology and productivity.

(2) Incompetent management is rife throughout New Zealand but very seldom comes under the spotlight of scrutiny — either public or private. The "cow-plus" production-oriented attitude of many managements belongs to Victorian era England and has not been appropriate to our needs for the last 60 years.

Many of our largest blue-chip companies are the worst offenders but they are able to survive and flourish because they have a near monopoly of the local market assisted by artificial protectionist policies against overseas competition.

(3) Our producer boards and primary industries are obsessed with shipping in bulk overseas rather than increasing the local

content by further processing. This means that the bulk of our meat is shipped overseas in carcass-form to be processed at its destination instead of locally. We ship overseas large quantities of logs to be processed at their destination. We read of hides being shipped overseas for processing and re-import.

(4) Our mediocre politicians spend so much time scoring petty party victories over each other that they appear to have forgotten why they were put there in the first place. For Government spending to increase from 29.2 per cent GDP in 1974 to 38 per cent GDP in 1980 (NBR July 21) is nothing less than extreme incompetence on the part of all politicians, regardless of their party affiliations.

Instead of leading and governing, our politicians appear to prefer playing at politics until circumstances force them to move.

To take just one example, let's consider the Maui gas field — one of the biggest in the world — discovered some 10 or 11 years ago but still not being utilised to any significant degree. By now thousands of vehicles could easily have been running on CNG saving millions of dollars in overseas exchange for oil purchases — but lack of political leadership has meant that only a handful of vehicles have access to CNG.

Hilary was short of oil but it didn't take long before he was using seven tons of potatoes to produce enough alcohol to power a V2 rocket to bombard England.

We read reports that our own scientists have few technical difficulties in producing alcohol from timber — but lack of political leadership means that our expertise and opportunities must lie dormant until some future time when pressing circumstances will make the decisions for us.

We have a wonderful country with fantastic potential. If only we had the motivation to utilise some of our advantages instead of continually creating worse problems for ourselves.

A Anthony Auckland

Travails on travel

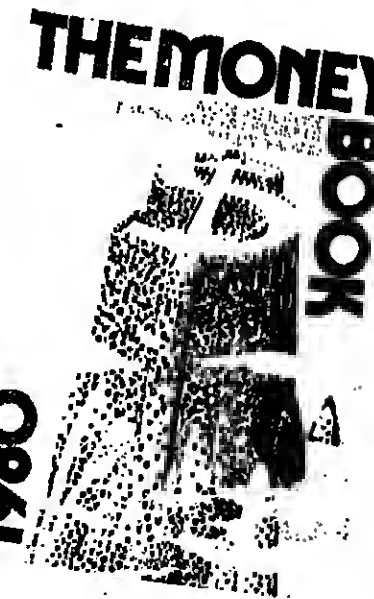
I FIND Peter V. O'Brien's article on American tourists disappointing in the extreme (NBR, August 4).

The opening paragraphs lead the reader to expect some "intriguing information" on the attitudes and information needs of potential American travellers to New Zealand. The article does not provide this and it leaves many questions unanswered.

The method of survey is described. Fair enough, but how about some detail. How is "potential traveller" defined? Is he different from "potential American visitor"? On what basis did the Tourist and Publicity Department select them?

Near is a bit on "motivation to visit New Zealand". Does this come under the heading of attitudes? Hardly. Again very little information. Just how many "attractive features" were listed in the survey? What were the other ones? A table of results is always more likely than figures mixed with text. Now the question on airlines. Yes, previously this reveals an information need. Perhaps we're getting somewhere. (Again a table would have helped). But as the rest of the

The Money Book aims higher in 1980.



The 1979 (and first) Money Book was an almost immediate sell-out. The upgraded 1980 edition contains an invaluable analysis by Peter Saunders, a widely respected investment consultant, of all listed companies in New Zealand by industry group. This means the performance of individual companies (over the last three years, five years and in 1979) can be immediately compared with those in the same and similar fields and the comparative investment strengths or weaknesses of different industry sectors can be simply seen.

The Money Book has a new section listing all directors and their directorships... the guides to borrowing and lending in New Zealand are as up-to-date as computer technology allows... and the listing of all NZ public companies ranked on a range of financial indicators remains an invaluable investment service.

THE MONEY BOOK... WORTH ITS WEIGHT IN GOLD

To purchase your copy of The Money Book, simply fill in the North Island Subscription Service coupon elsewhere in this issue.

Letters

Next, some more intriguing information: "Not surprising... And so it goes on."

Having read the article and deciphered the figures, I find that I have not gained any knowledge of American visitors attitudes, and have not learned what their information needs are, (except the words "Air New Zealand").

Good journalism?
C Brian Smith
Wellington

Unbiased observations

LIKE Allan Parker, this writer is anything but an unbiased observer of the Saturday trad-

ing debate. (NBR August 11). I select only two points from his totally unbalanced case. As a former shop assistant of some years experience, I venture that "with more time to browse," and given the present economic climate, shoppers are not only by definition less likely to buy on impulse, but are more likely to spend less on "the item they want." And Mr Parker claims the ability to "knock holes in virtually every sentence" of a "diatribe" contained in a Shop Employees' Association pamphlet, but knocks not a single hole.

If it is not too metaphysical, I'd like to see some of the holes.

John Baileaves
Christchurch

Freighting...

So often the weak link

The weakest link between manufacturing and marketing is so often distribution. Poor packing, inefficient documentation, insufficient knowledge of freight methods can jeopardise the entire exercise.

At Mogal Transportation, we have the knowledge and equipment to put the steel back in that weak link.

Eleven years in the freight business, whether it's N.Z. wide, Trans Tasman or the South Pacific, has given us the experience needed to ensure your freight gets where it's going on time. Every time. We'll pick it up, pack it up, handle all the documentation, clear it through customs, warehouse it for you and deliver it.

In other words, you can get on with the making, while we get on with your freighting.

MOGAL TRANSPORTATION

There's no substitute for experience.

HEAD OFFICE Mogal House, Greenlane Road, Greenlane. Telephone: 540-159 P.O. Box 1665.
Auckland Domestic Terminal: P.O. Box 74. Telephone: 687-138.
Trans Tasman/Pacific Branch: 8000, Rotorua. Telephone: 691-134.
Wellington Coastal Group: 4000, Te Atatu. Telephone: 688-188.
Dunedin/Motatua Group: 4000, Te Atatu. Telephone: 468-738.
Dunedin Car Vag: 10 Gordon St., Dunedin. Telephone: 772-381.

Basic building measures slice into energy costs

by R W Shakespeare
of The Times

IN western industrialised countries, energy savings of 30 per cent could be achieved by basic improvements to public buildings and effective energy management.

The total cost of such a programme could be offset in five years — in many cases less. If a 10-year time scale for cost recovery is envisaged, more buildings could be adapted and more than 40 per cent of current energy use would be saved.

These are the conclusions reached by a Liverpool architect Sydney Bolland, who has been directing a British Government-backed study of energy conservation in buildings.

A key part of the study involved computer modelling of how certain buildings actually worked, measured against the

energy used in one year. This enabled the modelling of possible changes in fabric, systems and usage to be assessed with 95 per cent confidence.

Costs were then applied to the various improvements and an assessment made to determine the size of the saving.

Although the study centred on Liverpool, (it was funded jointly by the city of Liverpool and the Government's Department of the Environment to the extent of £80,000 (\$NZ192,540) the recommendations are likely to have a far-reaching impact. They would be incorporated in a national energy saving strategy.

The methods adopted by the survey team could be applied in countries where cooling is more important than heating. In temperate climates the emphasis in building design has to be on keeping the heat in during

the winter. In the tropics good building design tries to keep the heat out and the air flowing through the buildings.

The studies of the survey team which included Architectural Studies, Professor Patrick O'Sullivan, of Cardiff University, Wales, and Richard Burton, the Royal Institute of British Architects' Energy Convenor, were based on a stock of 2500 city council owned buildings of all kinds in Liverpool, with a current heating and energy bill of more than £5 million (\$NZ12 million).

The most encouraging result of the project is the clear indication it has given that minimal capital expenditure can often produce dramatic savings and make the cash recovery periods short. The implication would seem to be that even in times of economy, money spent

on energy conservation would be a sound investment and bring cash savings.

From Bolland's initial report the simple fact emerges that for every 1 kW/h of energy consumption to be saved, the investment cost in Britain ranges from less than two pence (NZ5c) in older buildings to about ten pence (NZ24c) for newer offices. The average cost of providing one 1 kW is 1.7 pence this year.

An understanding of the national use of energy must include a recognition that almost half the energy used in Britain is for heating buildings.

He argues that since most of the buildings Britain needs actually exist — less than 1 per cent of the national stock is replaced each year — the main opportunity for conservation must lie in existing buildings.

Bolland said: "Most build-

ings in the western world can be redesigned to use less energy at any time." The usual practice is for heating systems to be replaced about every 25 years and internal adaption is normal practice. The improvement of the thermal characteristics of roofs, walls and windows is a relatively new idea but such measures, when applied to building fabric, can go on adding to energy savings for many years.

"In this respect, buildings can be seen to be as important in energy terms as resources of coal, gas or oil — in other words, a continuing national asset." He argued that energy conservation in buildings would require the determination to act and the nerve to persist with a long term programme despite short term difficulties.

After reviewing Liverpool buildings, their pattern of use and the energy delivered to them, the study group identified buildings where money spent on conservation could most quickly be offset by reduced energy demand.

One finding was that older school buildings, built before 1955, and all old persons' homes offered the best return on investment.

Bolland said: "Very briefly, if £2 million were spent on these buildings alone, this could be offset in two winters, given good management of the buildings. More than £1 million would be saved in energy costs each year, depending on the increase in fuel prices over that time. The steeper the fuel price rise, the more money could be saved."

Any savings made in the first year are unlikely to be maintained unless the management of the building is improved, he said.

"This meant that the officer in charge of any building must be able to understand the way in which energy is used and affected by the way the occupants use the building. This understanding must be passed on to

those who use the building. "Energy economy" become part of legitimate business. Education is itself not only by knowledge but also by behaviour," he said.

"Buildings and their systems are designed to certain needs and functions, or around their design occupancy."

"Schools, for instance, only one third full are difficult to control, as designers, in their calculations, allow for the heat gain of pupils. Ten pupils sitting one hour can be equivalent to one kW/h."

The conservation of energy is "a matter of improving overall thermal performance, buildings — that is, their system and use — and education."

The study group makes main recommendations: Liverpool:

- In accounting the energy use from other agencies.
- It should review methods of control for expenditure, recognising the importance of the charge of each building.
- It should consider the grammar of energy conservation to all its officers.
- A caretaker for a building type should be given intensive energy conservation training. They should advise other caretakers to save energy.
- Consideration should be given to a minimum programme of action, to each one project in each building type as a feedback project for further action.
- Consideration should be given to the opportunity for larger scale energy conservation investment.
- The city should work with its programme of efficiency and the installation of more responsive controls: heating and lighting systems in existing buildings.

FOURTH ESTATE SUBSCRIPTION SERVICE

To subscribe to or purchase any of the newspapers, directories or books published by the Fourth Estate Group simply fill in and post the coupon below. Please make out cheques as indicated. If two different companies are indicated for multiple purchases, please make out cheque to Fourth Estate Group, P O Box 9544, Wellington.

(Please fill where appropriate)

- ☐ If we enclose \$25.00 for one year's subscription to *National Business Review*. ☐ Please bill me.
- ☐ Please send me more information about the *National Business Review* VIP Subscription Scheme for companies.
- ☐ If we enclose \$65.00 for one year's subscription to *The Capital Letter*. ☐ Please bill me.
- ☐ If we enclose \$12.95 per copy post free for copies of *Janes on Property*.

Name
Address
Occupation
Signature

August 25, 1980

August 25, 1980

Air NZ begins crew training for Boeing 747s

by Lindsey Dawson

AIR New Zealand has begun the big logistical task of training staff to operate the five Boeing 747s due for delivery from May.

Six senior pilots and flight engineers are already gaining 747 type ratings with Qantas, and a further group will go next month. These executive pilots will write the operations manual, develop training programmes and examine the performance aspect of 747 operation so that the rest of the airline's crews can begin training from February 9.

Initial training will be done in New Zealand, and flight simulator time will be provided by Boeing at Seattle. Qantas will also provide simulator training in Sydney.

The first senior engineering staff will leave on September 15 for training courses at Boeing and at the Rolls-Royce plant in Derby, which run from between 17 and 80 days.

The man in charge of the huge planning job is technical support director Ian Diamond. Although retraining and retooling for the jumbos is a big step, it is not as complicated as the change from DC8s to 747s, which involved "quite a jump in technology".

But the task is complicated by the Government's choice of Rolls-Royce engines for the plane which the airline is banking on to pull the airline back into the black.

The airline has 30 engineering staff already qualified for 747 maintenance work because they service other airlines' aircraft in Auckland, and some have qualifications on the RB211 engine.

But they will require some re-training because the Rolls engines differ from airline to airline.

Qantas' engine is the 524-B2 engine. Air New Zealand's first model will be the C2, producing 1500 more pounds of thrust, and the ultimate engine, the D4, will be more powerful again, with some major engineering changes.

This was the engine the Government nominated because of its fuel-saving characteristics but it won't be available until 1982. That will put the airline through considerable handsprings in training and re-fitting when they finally come off the production line.

The company's air and ground crew instructors will train overseas from September through December and then start its own training school in January with the help of Boeing instructors. Changes will have to be made to its training school set-up, which will provide trainees with push-button responder units in the classroom for question and answer sessions with instructors.

Some temporary rooms may have to be built to cope with the initial rush, but Diamond expects that the current facilities should be able to cope in the long run.

The airline will be hampered initially by the lack of a flight simulator, which won't arrive until April 1982.

Apart from initial conversion training, the pilots also need "continuation" — the regular simulator flying done by all crews to keep their skills sharp without using valuable flying time in a real aircraft.

Captain Dave Eden, the airline's director of flight opera-

tions, said it was unlikely that Qantas would have enough spare time for Air New Zealand crews as well as its own, and that Air NZ was looking in Cathay Pacific for the use of their facilities in Hong Kong.

One of the critical areas is in maintaining sufficient flight crews for DC10 operations while training is going on for 747 flying. Eden said that sufficient crews would be available to create an overlap situation as the DC10s would start to go as the 747s arrived.

After the changeover the airline may have an over-supply of pilots although the situation was "not entirely clear", he said.

"We expect that the introduction of our own DC8 freighter next year will take up all the surplus."

Some pilots will have to re-convert back on to the DC8.

At the same time as the airline gears up for 747s, some business may be coming its way from TAA and Ansett to help with their conversion pro-

grammes. Ansett is buying 12 737s and Australia's *Bulletin* reported several weeks ago that its pilots would be trained by Air New Zealand.

Diamond would only comment that negotiations were taking place with Ansett. He was similarly cautious about the *Bulletin's* report that TAA which has ordered A300 air-

buses, will "depend heavily on Air New Zealand in the first phases for assistance with the General Electric CF6-50 en-

gine, which is the one Air New Zealand became expert in because of its DC-10-30 fleet".

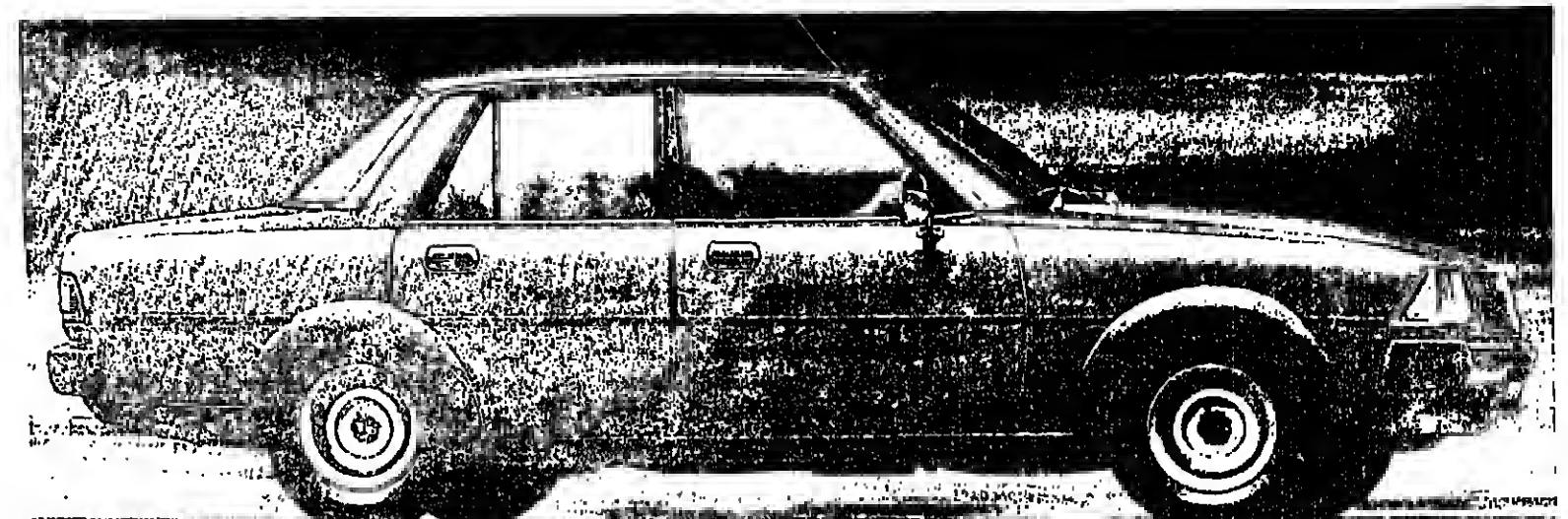
He confirmed that his company "had been talking to TAA regarding assistance."

Air New Zealand is keen to retain its C16 engineering facilities even after the planned sale of the last DC10.

It handles engine maintenance for the Australian navy (which uses a marine engine similar to the DC10's) and Malaysian Air Systems, and will "actively pursue" contin-

uation of the work. "We are committed to do so until the end of 1982 and it is our intention to maintain it if possible," said Diamond.

Ansett and TAA are planning big building programmes to provide hangar space for their new aircraft, and Air New Zealand may also have to provide more under-cover working areas in future. Its present Auckland hangar can accommodate one 747 — "we can just get one in tail first".



Performance and comfort add up to a car you will enjoy driving.

Get a Driver's Car from Avis and give it the ultimate test drive

Next time you plan to rent a car, combine business with pleasure and turn it into a test-drive with a Mazda 626 from Avis Rent-A-Car.



Clean, functional interior with full instrumentation.

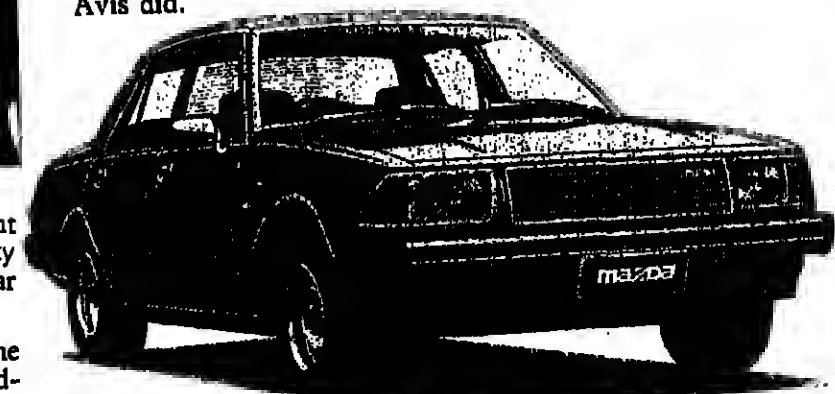
That way you'll find out a few things you might not learn from the usual new car test drive around a city block, because you've got time to really put the car through its paces.

You'll discover, on a trip, how comfortable the seats are. And you'll welcome the clever idea of the fold-down rear seats that enable you to carry awkward objects and a third person, or use the entire rear seat area to increase the boot space. You'll discover the effortless performance of the smooth, quiet 2 litre engine. But what you'll probably enjoy most will be the remarkable fuel economy of up to 36 miles per gallon, recorded in overseas tests.

Take it to the places you usually go. And try it in a few places you don't. It takes a motorway and a couple of back roads before you can really start to appreciate the finer points of Mazda 626 handling and performance.

And what you will have discovered in short, is that the reliability and economy Avis demand of their cars is what you can expect from the Mazda 626. Which is why, after you've driven it, you'll probably choose the Mazda 626 for the same demanding reasons Avis did.

AVIS
We try harder



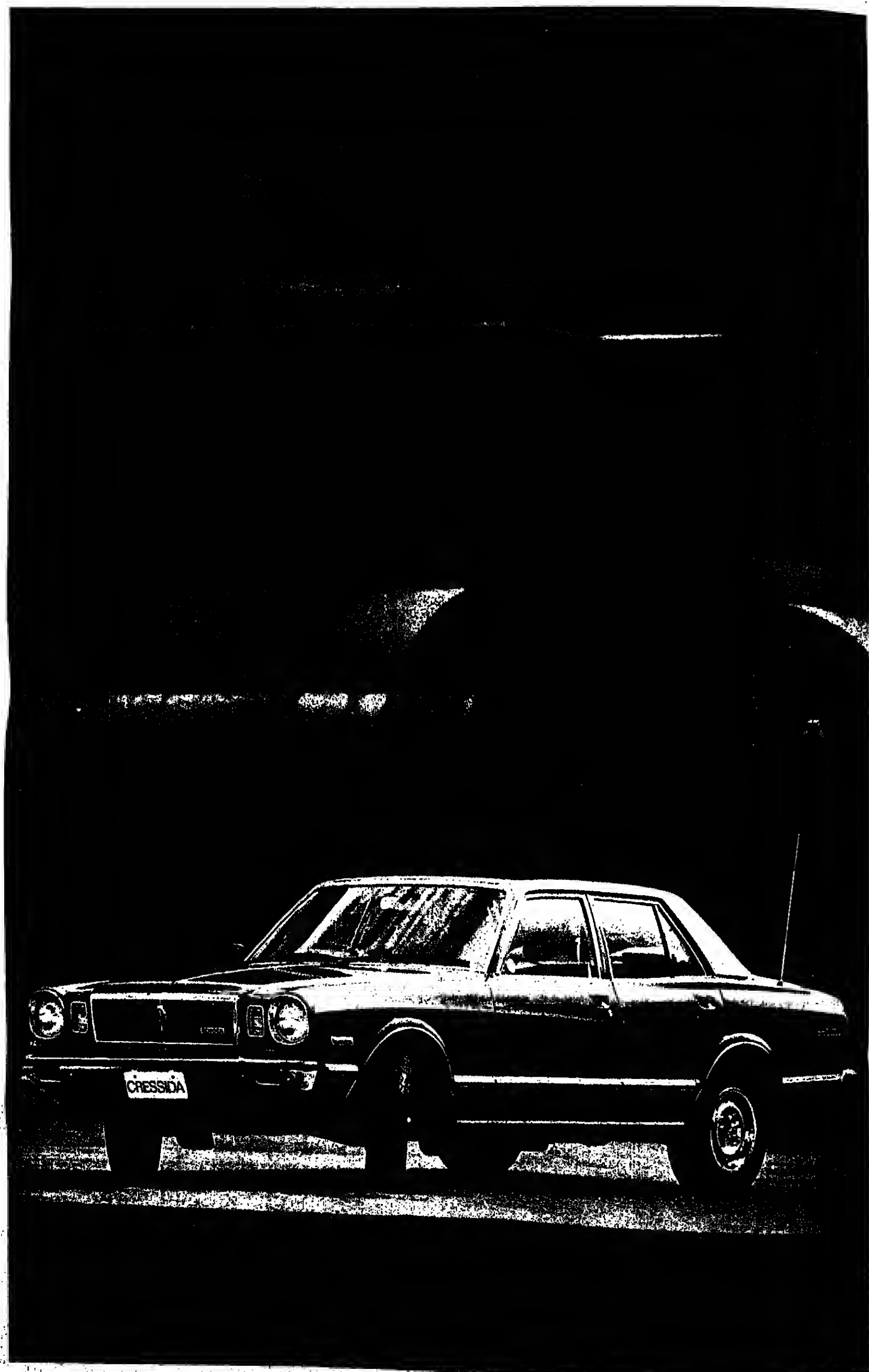
Mazda 626 (shown above), available in 4-speed and automatic model options.

Mazda 626. A Driver's Car

Look for the blue Mazda sign—
54 dealers throughout New Zealand

home of Mazda reliability

MAZ276 02M



Cressida.

Toyota announces a rare car.

Cressida combines technology that is uniquely Toyota, with luxury that success deserves.

Here is more sheer comfort and prestige than one might reasonably expect.

A quick two litre engine gives you thrust without thirst—a very responsible consideration for thinking owners.

The instrument display includes, amongst other uncommon delights, a quartz crystal clock and fully integrated cassette stereo.

The front seats are infinitely adjustable,—and the driver's seat embodies a lumbar support zone which you adjust to gently ease lower back fatigue.

And because Toyota make the Cressida, all this luxury is on top of quality.

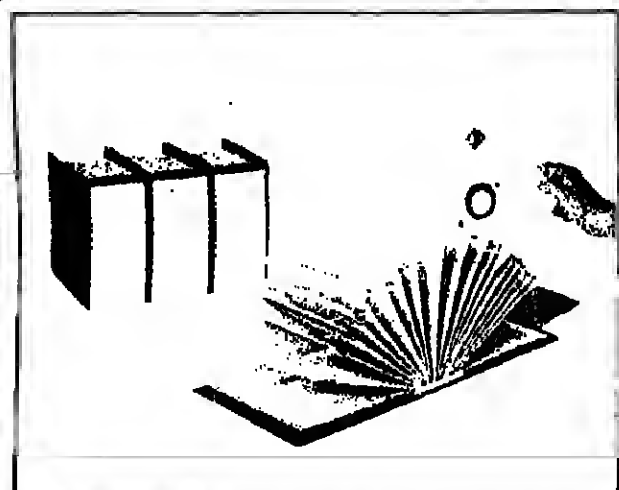
Not instead.

Cressida.

At the moment 5 speed manual \$12,300 and automatic \$12,800.

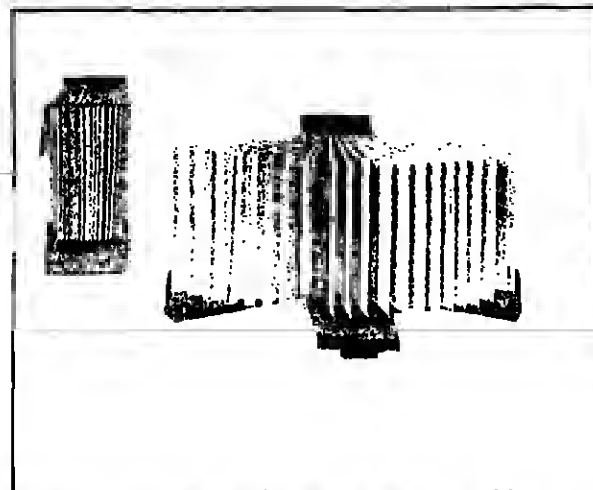
 **TOYOTA**
Ahead in the 80's.

Microfiche & Diskette Rentention and Retrieval Systems



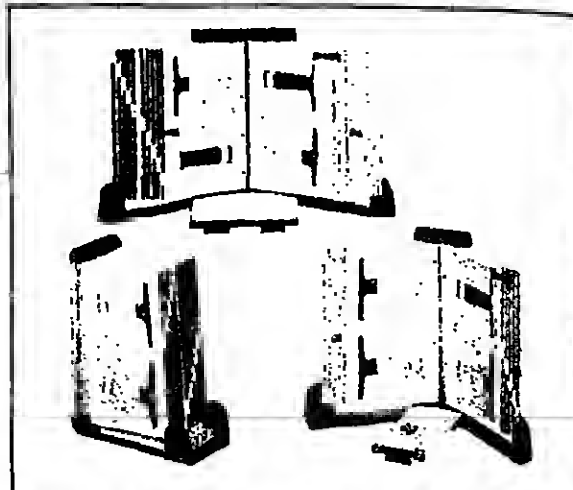
FAN FILE

Floppy Disks are fragile. Eichner Diskette Housing will completely protect each floppy in its own pocket; so your floppy will stay perfectly flat and pressure-free. The unique crimping design of the file provides "cushioning" for the diskette when the file is either open or closed. The Eichner Fan File puts up to 20 diskettes right at your fingertips.



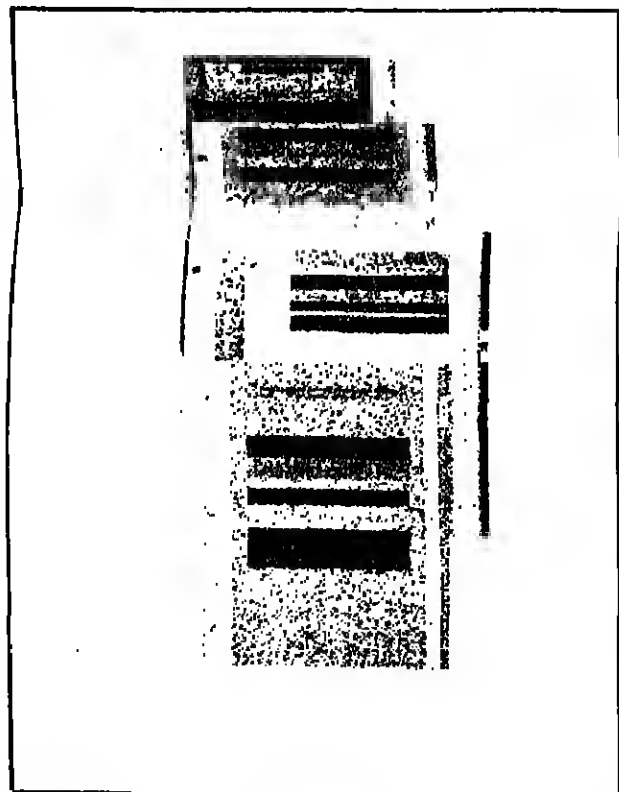
DISKETTE DESK STAND

Space saving, easy to expand design and high functionality for instant reference. This unit answers the need for a large capacity modular desk top storage system. You can also use it as a wall bracket and turn wasted wall space into an active reference station for your floppies. The capacity of one stand is 20 diskettes. Additional stands may be combined to enable your filing capacity to grow when your needs do.



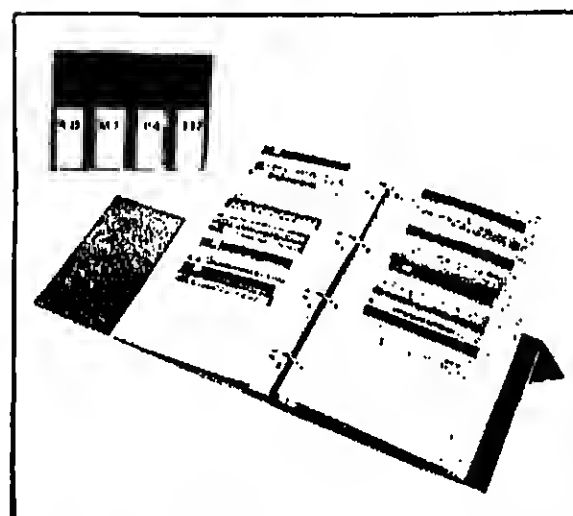
MINIDISKETTE DESK STAND

The Eichner Desk Stand answers the need for a large capacity modular desk top storage. Where there is no desk or counter top available, use it as a wall bracket and turn that wasted wall space into an active reference station. The Eichner Desk Stand offers a filing capacity of up to 40 minis, 4 minis per Minidiskette Panel.



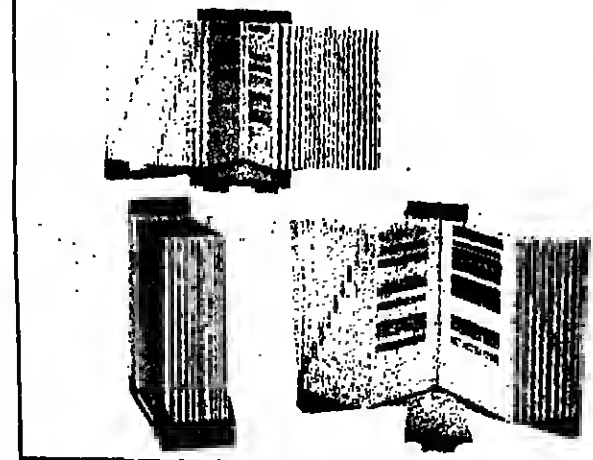
MICROFICHE ALBUM

If you need a portable fiche library, here is the answer. This attractive little system has a snap-lock vinyl cover and contains 55 microfiche pockets and a five sheet celluloid tab index with insertable blank labels.



EASEL BINDER

This binder is designed for easy portability and fast access to your fiches. Opened in use the binder gives fast title identification. Closed it fits comfortably into the palm of your hand. The binder holds up to five panels.



MODULAR DESK STAND SET

A space saving, easy to expand design grants high functionality and instant reference. The Eichner Desk Stand answers the need for a large capacity modular desk top storage system. Where there is no desk or counter top available, use it as a wall bracket.

There is nothing comparable to the Eichner System... It is simply the best there is.



ACCO INTERNATIONAL (N.Z.) LTD.
WELLINGTON N.Z.
TELEPHONE (4) 850-538 P.O. BOX 8382
TELEGRAPHIC ADDRESS "LOOSELEAF" WGTN

Sport

Amidst the gore, guts and grit — a dancer!

EVERY sport has its own lingo, vernacular, *lingua franca*, call it what you will. Listen to golfers talk of hitting it "flat" or "skinny", "choking" on putts and so on. Cyclists speaking of the "bonk wagon". Murray King exclaiming that John Walker has the field "shot to pieces", cricketers referring to the "cherry", "nut", "agate", anything but the ball. And think of the number of participants who have been "creamed" or "shut out" of a game.

The trouble with such talks is that while for a time it is amusing and diverting, it soon begins to pall and one longs for what lies beyond or deeper. In other words, one longs for some real and not merely surface illumination of what occurs and why.

It's all very well to say that because we are talking about sport we should keep it simple and not complicate things. My answer to that is that since so many take sport too seriously, and since it's run by human beings, it can't help but be complex.

I was again reminded of these things when I read Phil Gifford's account in the *Listener* of the way in which Auckland rugby coach Bryan Craies whips his boys into the required lather and frenzy. (Gifford, incidentally, is in my view one of the few sports journalists we have who seems prepared or capable of looking beyond the earnest self-righteousness that cripples much of our sport.) Gifford recounts how Craies contrived to "zoom the boys up" at a team talk before the shield challenge from King Country.

I stirred memories of a rep hockey coach I once endured who used to prowl about the dressing room coughing, frowning, scowling, hunching his shoulders and occasionally smashing his fist into his palm

whenever he wanted to place monumental, savage emphasis on some point. We had to never let up, annihilate, crunch, overpower, outrun, out-think, out last, slaughter, shame, play to the whistle, don't question the game's not over until the final whistle blows, exert tremendous pressure, keep the bastards pinned in their own half, believe in ourselves and achieve total control.

We were told to play until our "minds cracked" and if we "burst our guts" in the process we weren't to worry because he'd be there to shovel it up and stuff it in again.

This was all very reassuring and, of course, you will realise that this man's attitude to a harmless amateur game was by no means unique or extreme. We were all aware that to represent the province was a great honour and that others were raring to take our places should we let the side down.

My main concern, as captain, was with those who while possessing some "fire and spirit" were always short on practise, theory and skill.

A warm glow of recognition flooded through me as I recognised Craies's predictable and marvellously full store of boorishly effective phrases. Gore, guts, grit. Wonderful.

I read of sweat and tension and fighting "to the death", and I remembered how my father talked — as he still does — with awe of a shattered Ron Elvidge's great try. Craies asked his boys to plug into "that powerhouse of determination" and "play like men possessed" on their own "dungheap".

Now I'm not sneering or jeering at all this basic, low common denominator stuff. Not entirely. I know it often works. I've seen it work. I know what it is like to feel the adrenalin pumping and how the more you admire the opposition the less likely you are to beat them.

BRIAN Turner gives a personal view of the sporting scene in this occasional column.

You have to observe the opposition, of course, if you are to counter them, but thereafter contempt is more likely to reap results than consideration.

But what I begin to cavil at and resist is the baseness, harshness, the unremitting physical destructiveness of it all. The emphasis of graunch and grind rather than that marvellous combination of grace and urgency in association with flair and imagination. It is these things that give rise to the sporting moments that linger longest in the memory, and keep on returning to stir us.

And our attitude to sport is not only too prosaic; it is also blatantly chauvinistic. The worst thing you can do is call

someone a shiela, a poof or a girl!

We are too quick to approve and laud shows of physical strength because they denote power. And because men know that women are nearly always excluded from experiences involving extreme muscular effort they can maintain a preserve, a bond that women find hard to break. The men might disdain to be women, but not to have them. That is the crux of it. So it goes something like this; first the game, then the booze, then the crumpet.

I wish our sport wasn't so much like this but I regret to say it is. Too earnest, too humourless, too physical too sexist.

If you doubt me, cast your

minds back to the daft and needless television inquisition conducted (and relished) by an amused Ian Fraser soon after the recent return of the All Blacks. There we had the hapless Eric Watson, marooned in a southern studio, looking like an upbraided and harried Russian dissident about to be sent to a psychiatric prison. One could sense his bewilderment and feel the strain as he fought to control his annoyance. I don't blame him.

In the Wellington studio was a panel of six participants and observers, all of them eminent in their own ways, all of them expected to disinter, examine, explain. J J Stewart made a valiant effort to see that a sane perspective was maintained but, as with all such panel affairs, the result was a failure. There is never enough time to do more than merely scratch the

surface of whatever subject such programmes attempt to cover.

Not long ago I read an article by Clayton Riley published in an American magazine in which he quoted a black football player as saying: "White boys only want to know what the final score was; they're only interested in the results. Brothers want to know what happened in the game like, 'Did O J dance?'"

I'm going to finish on a hopeful note and say that the events in Australia released a ray of hope. Bruce Robertson. Not necessarily because of the way he played, but because of the way he can play. That point has got through, at last, to a lot of people. They want to see that sort of dance.

Eric Watson, much and often unfairly maligned, please take note.

Announcing Electronic Filing from Kodak.

In an age of ever-increasing information, Kodak presents a way to find facts fast: the Kodak IMT-150 microimage terminal.

Computers are best used to store and provide summary data. But sometimes you need the entire original document. Beginning with only a fragment of data such as a date or invoice number, the IMT-150 terminal quickly provides you with an image of the genuine article—the sales slip, bill of lading, invoice, or whatever you need.

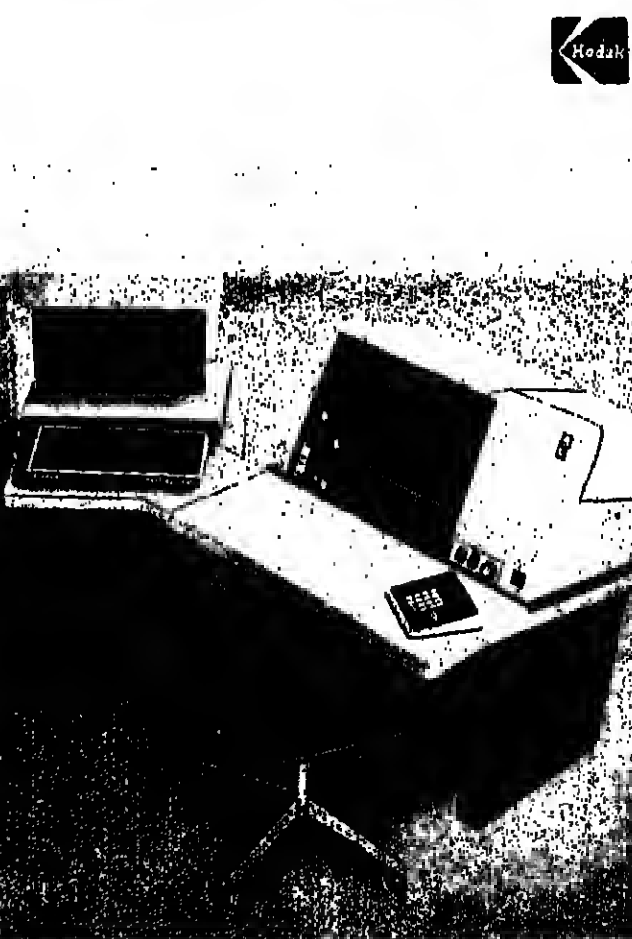
The document you see displayed on the screen is stored somewhere in the middle of 14,000 other micro-filmed documents. Yet an operator can call up this specific document on the viewing screen of an IMT-150 terminal in less than 9 seconds. And a dry paper print is available at the touch of a button, again in a matter of seconds.

Your mini or mainframe computer knows the proper microfilm cartridge to select; the IMT-150 terminal's own computer "knows" exactly where to go within the cartridge to find the document you are looking for.

Kodak offers a whole family of electronic filing equipment. From microfilmers to microfilm reader-printers to dry COM laser printers—many with their own built-in intelligence and more sophisticated electronics.

For a demonstration of electronic filing equipment, please plan to visit the Kodak exhibit at the Furama Intercontinental Hotel, Hong Kong, 16-20 September 1980.

See us at the International Micrographics Congress, Furama Intercontinental Hotel, Hong Kong, 16-20 September 1980.



The Sales Manager, Business Systems Marketing Division, KODAK New Zealand Limited, P.O. Box 2198, Auckland. Phone 778-950

1. I want to be able to find fast the documents I need in my office. Please send your brochure on Electronic Filing from Kodak.

2. Better yet, have a Kodak representative call to arrange a free demonstration planning survey of my office.

NAME _____ TITLE _____

ORGANIZATION _____

ADDRESS _____

PHONE _____

COMMERCIAL SPACE

OFFICE — WAREHOUSE — INVESTMENTS

If you haven't tried...

WEYBURNES

...you are not really looking!

RING WITH 845-950, AUCK 878-402

Secondary producers complain of undue haste

by Rae Mazengarb

MANUFACTURERS are dissatisfied with the haste in which some industry studies — specially those being handled by Government departments — are being undertaken. They want changes made to industry study procedures.

Plastics Institute executive director Bruce Dunlop is among the critics of departmental officers and their approach to industry studies.

Pointing out they were his personal opinions, he said the procedures followed by the Industries Development Commission provided for a "far more objective and accurate evaluation of an industry" than studies conducted by departments.

Dunlop has recommended that the Manufacturers Federation and its constituent trade groups seek changes in the procedure for all industry studies.

It is understood that others in the manufacturing and business sectors share Dunlop's views.

Manufacturers Federation President Laurie Stevens has criticised what he called the undue haste with which some studies — specially those handled by the departments — have been carried out.

Sources close to the IDC would also favour changes to the present system of industry studies.

The Tariff Review Committee, which reported to the Government in 1978, singled out 11 industry groups for further study.

The IDC was entrusted with preparing a textile industry development plan and similar plans for plastics, packaging and wine industries.

The remaining industries — radio and television, footwear, glassware, rubber products, motor vehicles, starch and margarine — have been investigated by Government departments in collaboration with the industries concerned.

It is understood the departments have been told to follow the general principles adopted by the commission, but there is no guarantee that all industries will get comparable treatment.

More important, in contrast to the departments, the IDC holds public hearings at which all interested parties are given the chance to present their submissions and cross-examine

others. Feedback from industry involved suggests they place great value on the public hearing process.

Dunlop says several points weigh against the method of departmental studies:

- Security (he exemplified this with the example of a security study which followed the lead to the media of an industry report detailing the state of a motor industry).
- A lack of commercial experience and in-depth involvement with any particular industry makes departmental teams unqualified to draw conclusions on any industry.
- The waste of time and taxpayers' money where studies may have to be referred from the departments to the IDC for reconsideration, effectively studying the industry twice.

He advocates a procedure:

- That terms of reference for a particular study be given by the IDC, the industry and the appointed departmental team;
- That the departmental team act as a gatherer of "raw data" type factual information, working in conjunction with the industry. The team would prepare a paper outlining the current state of the industry, how it arrived there, detailing its aspirations;
- The paper would then be referred to the IDC for evaluation through the standard hearing procedure. If the IDC would endorse the study, if necessary, for public hearing purposes — as in the case of the plastics study;
- From there the study would follow the IDC procedure which would follow a report complete with recommendations which would be presented to Government.

"These ideas have not been well-received at departmental level. They have been considered an attack on official competence."

But one industry source suggested that proceeding along the lines advocated would not only ensure greater activity among industries, but also ease the work flow of the commission.

Though not understood, some commentators have suggested, the IDC has spent bursts of high-pressure activity followed by lulls.

"The commission's work could be better organised by praising studies prepared by officials," Dunlop said.

Manufacturers Federation President Laurie Stevens is warning against the preparation of industry studies specially those handled by Government officials — "Rotarians that too much energy could kill rather than the patient."

Light? Westinghouse Open Office Lighting isn't etched to the building it's part of the system. Since you don't have to rewiring, reattaching lighting can be done quickly and easily.

As your business changes or grows, you need an office that can keep pace. It's flexibility like this can make your business more productive by saving you time.

And more profitable by saving you money.

Westinghouse ASD Open Office System

Manufacturing more people more productive in less space at lower cost.

Westinghouse ASD Open Office System

Westinghouse ASD Open Office System

Westinghouse ASD Open Office System

Westinghouse ASD Open Office System

Westinghouse ASD Open Office System

Westinghouse ASD Open Office System

Westinghouse ASD Open Office System

Westinghouse ASD Open Office System

REVOLUTION OF REVOLUTION WITH WORD PROCESSING the choice is yours

REVOLUTION OF REVOLUTION WITH WORD PROCESSING the choice is yours

REVOLUTION OF REVOLUTION WITH WORD PROCESSING the choice is yours

REVOLUTION OF REVOLUTION WITH WORD PROCESSING the choice is yours

taken by department officials over industry studies

He said, too, it was nonsense to suggest that only the manufacturing sector needed to be restructured.

"Any approach to restructuring must involve all sectors — none can be singled out in isolation," he said.

"But so far, no other sector has had to front up to a public body like the Industries Development Commission, present its development plan and be cross-examined by the commission and interested parties."

"While restructuring must be carried out across the board, it must be carried out 'only after careful examination of all the relevant facts and with due regard to short-run costs which must be offset against theoretical long term gains', Stevens cautioned.

Manufacturers were concerned that — largely because of timelier pressures — the quality of research had suffered.

He said the industries study programme, together with the general downturn and possible developments in the Tasman relationship, created a high degree of uncertainty among manufacturers.

A policy of rapid restructuring — or cutting protection — in the present climate would be "suicidal", Stevens said.

He pointed out that the Australian Government had decided to hold in abeyance further restructuring of industry while unemployment remained high.

"We have not as yet created the right climate for restructuring and development," he said.

"We cannot pursue efficiency at all costs. The human factors must be taken into account. We can only move as fast as management and the work force is capable."

Manufacturers and business generally required cautious management, he said, "particularly with respect to the pace of change imposed by Government."

Rather than "a doctrinaire approach in the regulatory field", the community itself had to accept that higher living standards were not possible until more wealth was produced. Both management and unions and their members had a responsibility to ensure all resources — including labour — were used more effectively to increase productivity.

He said the industries study programme, together with the general downturn and possible developments in the Tasman relationship, created a high degree of uncertainty among manufacturers.

A policy of rapid restructuring — or cutting protection — in the present climate would be "suicidal", Stevens said.

He pointed out that the Australian Government had decided to hold in abeyance further restructuring of industry while unemployment remained high.

"We have not as yet created the right climate for restructuring and development," he said.

"We cannot pursue efficiency at all costs. The human factors must be taken into account. We can only move as fast as management and the work force is capable."

Manufacturers and business generally required cautious management, he said, "particularly with respect to the pace of change imposed by Government."

Rather than "a doctrinaire approach in the regulatory field", the community itself had to accept that higher living standards were not possible until more wealth was produced. Both management and unions and their members had a responsibility to ensure all resources — including labour — were used more effectively to increase productivity.

He said the industries study programme, together with the general downturn and possible developments in the Tasman relationship, created a high degree of uncertainty among manufacturers.

A policy of rapid restructuring — or cutting protection — in the present climate would be "suicidal", Stevens said.

He pointed out that the Australian Government had decided to hold in abeyance further restructuring of industry while unemployment remained high.

"We have not as yet created the right climate for restructuring and development," he said.

"We cannot pursue efficiency at all costs. The human factors must be taken into account. We can only move as fast as management and the work force is capable."

Manufacturers and business generally required cautious management, he said, "particularly with respect to the pace of change imposed by Government."

He said, too, it was nonsense to suggest that only the manufacturing sector needed to be restructured.

"Any approach to restructuring must involve all sectors — none can be singled out in isolation," he said.

"But so far, no other sector has had to front up to a public body like the Industries Development Commission, present its development plan and be cross-examined by the commission and interested parties."

"While restructuring must be carried out across the board, it must be carried out 'only after careful examination of all the relevant facts and with due regard to short-run costs which must be offset against theoretical long term gains', Stevens cautioned.

Manufacturers were concerned that — largely because of timelier pressures — the quality of research had suffered.

He said the industries study programme, together with the general downturn and possible developments in the Tasman relationship, created a high degree of uncertainty among manufacturers.

A policy of rapid restructuring — or cutting protection — in the present climate would be "suicidal", Stevens said.

He pointed out that the Australian Government had decided to hold in abeyance further restructuring of industry while unemployment remained high.

"We have not as yet created the right climate for restructuring and development," he said.

"We cannot pursue efficiency at all costs. The human factors must be taken into account. We can only move as fast as management and the work force is capable."

Manufacturers and business generally required cautious management, he said, "particularly with respect to the pace of change imposed by Government."

Rather than "a doctrinaire approach in the regulatory field", the community itself had to accept that higher living standards were not possible until more wealth was produced. Both management and unions and their members had a responsibility to ensure all resources — including labour — were used more effectively to increase productivity.

He said the industries study programme, together with the general downturn and possible developments in the Tasman relationship, created a high degree of uncertainty among manufacturers.

A policy of rapid restructuring — or cutting protection — in the present climate would be "suicidal", Stevens said.

He pointed out that the Australian Government had decided to hold in abeyance further restructuring of industry while unemployment remained high.

"We have not as yet created the right climate for restructuring and development," he said.

"We cannot pursue efficiency at all costs. The human factors must be taken into account. We can only move as fast as management and the work force is capable."

Manufacturers and business generally required cautious management, he said, "particularly with respect to the pace of change imposed by Government."

Rather than "a doctrinaire approach in the regulatory field", the community itself had to accept that higher living standards were not possible until more wealth was produced. Both management and unions and their members had a responsibility to ensure all resources — including labour — were used more effectively to increase productivity.

He said the industries study programme, together with the general downturn and possible developments in the Tasman relationship, created a high degree of uncertainty among manufacturers.

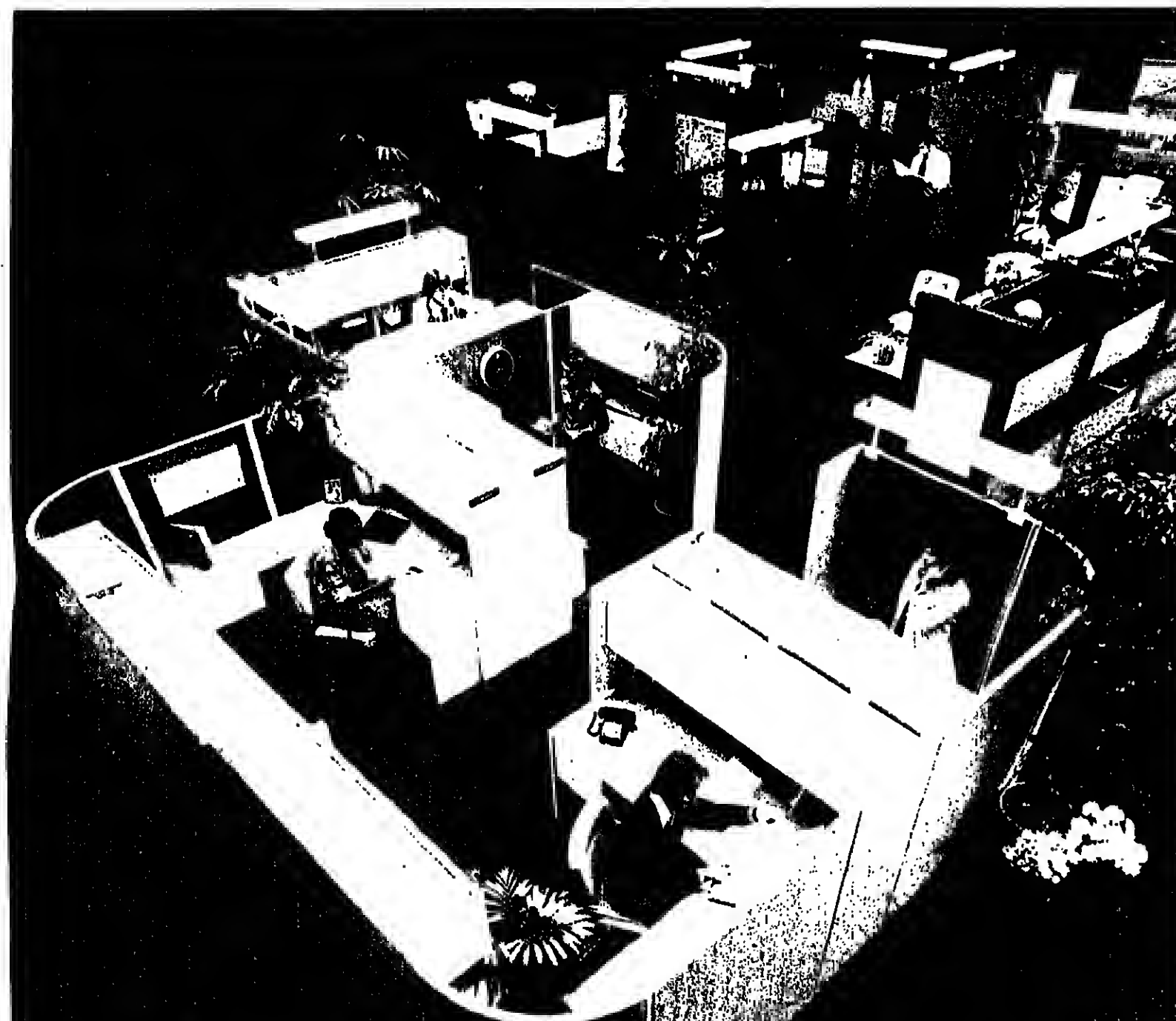
A policy of rapid restructuring — or cutting protection — in the present climate would be "suicidal", Stevens said.

He pointed out that the Australian Government had decided to hold in abeyance further restructuring of industry while unemployment remained high.

"We have not as yet created the right climate for restructuring and development," he said.

"We cannot pursue efficiency at all costs. The human factors must be taken into account. We can only move as fast as management and the work force is capable."

Manufacturers and business generally required cautious management, he said, "particularly with respect to the pace of change imposed by Government."



How to save up to 50% of the cost the next time you rechange your office

All you need is the Westinghouse Open Office System.

The traditional office wasn't designed for change. So what happens when you have to add people or equipment or make organizational changes? You have to move "permanent" walls, rewire, and reconfigure heating, ventilating and air-conditioning ductwork.

And pay from \$8 to \$25 per square foot to do it all. With the Westinghouse Open Office you can do the same job for less than 75¢ per square foot.

And do it faster, with minimum disruption. No need to tear down walls; you simply rearrange panels. And no need to move heating, ventilating and air-conditioning ductwork.

Manufactured under license in New Zealand and Australia by:

cemac

AUCKLAND (09) 768-175

WELLINGTON (04) 583-937

CHRISTCHURCH (03) 80-671



Light? Westinghouse Open Office Lighting isn't etched to the building it's part of the system. Since you don't have to rewiring, reattaching lighting can be done quickly and easily.

As your business changes or grows, you need an office that can keep pace. It's flexibility like this can make your business more productive by saving you time.

And more profitable by saving you money.

Westinghouse ASD Open Office System

Westinghouse ASD Open Office System

Westinghouse ASD Open Office System

Westinghouse ASD Open Office System

Westinghouse ASD Open Office System

Westinghouse ASD Open Office System

Westinghouse ASD Open Office System

REVOLUTION OF REVOLUTION WITH WORD PROCESSING the choice is yours

REVOLUTION OF REVOLUTION WITH WORD PROCESSING the choice is yours

REVOLUTION OF REVOLUTION WITH WORD PROCESSING the choice is yours

REVOLUTION OF REVOLUTION WITH WORD PROCESSING the choice is yours

He said, too, it was nonsense to suggest that only the manufacturing sector needed to be restructured.

"Any approach to restructuring must involve all sectors — none can be singled out in isolation," he said.

"But so far, no other sector has had to front up to a public body like the Industries Development Commission, present its development plan and be cross-examined by the commission and interested parties."

"While restructuring must be carried out across the board, it must be carried out 'only after careful examination of all the relevant facts and with due regard to short-run costs which must be offset against theoretical long term gains', Stevens cautioned.

Manufacturers were concerned that — largely because of timelier pressures — the quality of research had suffered.

He said the industries study programme, together with the general downturn and possible developments in the Tasman relationship, created a high degree of uncertainty among manufacturers.

A policy of rapid restructuring — or cutting protection — in the present climate would be "suicidal", Stevens said.

He pointed out that the Australian Government had decided to hold in abeyance further restructuring of industry while unemployment remained high.

"We have not as yet created the right climate for restructuring and development," he said.

"We cannot pursue efficiency at all costs. The human factors must be taken into account. We can only move as fast as management and the work force is capable."

Manufacturers and business generally required cautious management, he said, "particularly with respect to the pace of change imposed by Government."

Rather than "a doctrinaire approach in the regulatory field", the community itself had to accept that higher living standards were not possible until more wealth was produced. Both management and unions and their members had a responsibility to ensure all resources — including labour — were used more effectively to increase productivity.

He said the industries study programme, together with the general downturn and possible developments in the Tasman relationship, created a high degree of uncertainty among manufacturers.

A policy of rapid restructuring — or cutting protection — in the present climate would be "suicidal", Stevens said.

He pointed out that the Australian Government had decided to hold in abeyance further restructuring of industry while unemployment remained high.

"We have not as yet created the right climate for restructuring and development," he said.

"We cannot pursue efficiency at all costs. The human factors must be taken into account. We can only move as fast as management and the work force is capable."

Manufacturers and business generally required cautious management, he said, "particularly with respect to the pace of change imposed by Government."

Rather than "a doctrinaire approach in the regulatory field", the community itself had to accept that higher living standards were not possible until more wealth was produced. Both management and unions and their members had a responsibility to ensure all resources — including labour — were used more effectively to increase productivity.

He said the industries study programme, together with the general downturn and possible developments in the Tasman relationship, created a high degree of uncertainty among manufacturers.

A policy of rapid restructuring — or cutting protection — in the present climate would be "suicidal", Stevens said.

He pointed out that the Australian Government had decided to hold in abeyance further restructuring of industry while unemployment remained high.

"We have not as yet created the right climate for restructuring and development," he said.

"We cannot pursue efficiency at all costs. The human factors must be taken into account. We can only move as fast as management and the work force is capable."

Manufacturers and business generally required cautious management, he said, "particularly with respect to the pace of change imposed by Government."

taken by department officials over industry studies

Todd Motors Ltd director of operations and marketing Denford McDonald has warned that restructuring the manufacturing industry in the present climate could cripple the New Zealand economy.

Discussing the motor industry study being undertaken by a Trade and Industry team, he acknowledged that Japan had successfully used industry studies to identify restructuring opportunities and implement the required changes effectively.

But he pointed out that Japan had a tightly controlled economy, a highly geared and extensive internal market protected from the outside world, a fast-growing and expanding economy and had a cultural commitment to consensus and collaboration.

New Zealand, in contrast, had a small economy, a static — "possibly stuck" — economy and a domestic market which lacked strong protection, he said.

Attempts to restructure under those circumstances would only cripple the economy.

McDonald expressed concern about aspects of the industry study itself.

Release of official observations to the news media had resulted in the study being seen as destruction of the car assembly industry rather than some collaborative effort for growth, he said.

"An outcome of this premature release has been to throw into some confusion the more positive objectives of the Government's study programme," he said.

Not only was it unfortunate that the observations of officials investigating the industry had been made public, but "some rather confusing figures" had been released to the media, he said.

"We are concerned that the officials' view does not elaborate the viewpoint expressed to them by the industry and has excluded some fundamental economic considerations which we believe cannot be ignored," Denford said.

He pointed out that because of the "varying stance" of different sectors of the industry, it was difficult to get "accurate figures which could be used as a basis for judgment".

"The parameters which have been applied to our industry studies are probably a correct application of economic principle but unfortunately the world has little regard for attrition economics and considerations cannot be isolated from the political and sociological policies of an economy," he said.

McDonald advocated a "challenge ahead" road to get the car assembly industry back on its feet.

What was required, he said, was a plan for, say, five years for the efficient development and expansion of the industry.

The establishment of a team to implement the plan comprising private sector, unions and Government was also required.

Based on recent experiences, manufacturers could hardly be blamed for regarding Government as "the fifth column" rather than a co-ordinating group, he said.

He said the industries study programme, together with the general downturn and possible developments in the Tasman relationship, created a high degree of uncertainty among manufacturers.

A policy of rapid restructuring — or cutting protection — in the present climate would be "suicidal", Stevens said.

He pointed out that the Australian Government had decided to hold in abeyance further restructuring of industry while unemployment remained high.

"We have not as yet created the right climate for restructuring and development," he said.

"We cannot pursue efficiency at all costs. The human factors must be taken into account. We can only move as fast as management and the work force is capable."

Manufacturers and business generally required cautious management, he said, "particularly with respect to the pace of change imposed by Government."

Rather than "a doctrinaire approach in the regulatory field", the community itself had to accept that higher living standards were not possible until more wealth was produced. Both management and unions and their members had a responsibility to ensure all resources — including labour — were used more effectively to increase productivity.

He said the industries study programme, together with the general downturn and possible developments in the Tasman relationship, created a high degree of uncertainty among manufacturers.

He said, too, it was nonsense to suggest that only the manufacturing sector needed to be restructured.

"Any approach to restructuring must involve all sectors — none can be singled out in isolation," he said.

"But so far, no other sector has had to front up to a public body like the Industries Development Commission, present its development plan and be cross-examined by the commission and interested parties."

"While restructuring must be carried out across the board, it must be carried out 'only after careful examination of all the relevant facts and with due regard to short-run costs which must be offset against theoretical long term gains', Stevens cautioned.

Manufacturers were concerned that — largely because of timelier pressures — the quality of research had suffered.

He said the industries study programme, together with the general downturn and possible developments in the Tasman relationship, created a high degree of uncertainty among manufacturers.

A policy of rapid restructuring — or cutting protection — in the present climate would be "suicidal", Stevens said.

He pointed out that the Australian Government had decided to hold in abeyance further restructuring of industry while unemployment remained high.

"We have not as yet created the right climate for restructuring and development," he said.

"We cannot pursue efficiency at all costs. The human factors must be taken into account. We can only move as fast as management and the work force is capable."

Manufacturers and business generally required cautious management, he said, "particularly with respect to the pace of change imposed by Government."

Rather than "a doctrinaire approach in the regulatory field", the community itself had to accept that higher living standards were not possible until more wealth was produced. Both management and unions and their members had a responsibility to ensure all resources — including labour — were used more effectively to increase productivity.

He said the industries study programme, together with the general downturn and possible developments in the Tasman relationship, created a high degree of uncertainty among manufacturers.

A policy of rapid restructuring — or cutting protection — in the present climate would be "suicidal", Stevens said.

He pointed out that the Australian Government had decided to hold in abeyance further restructuring of industry while unemployment remained high.

"We have not as yet created the right climate for restructuring and development," he said.

"We cannot pursue efficiency at all costs. The human factors must be taken into account. We can only move as fast as management and the work force is capable."

Manufacturers and business generally required cautious management, he said, "particularly with respect to the pace of change imposed by Government."

Rather than "a doctrinaire approach in the regulatory field", the community itself had to accept that higher living standards were not possible until more wealth was produced. Both management and unions and their members had a responsibility to ensure all resources — including labour — were used more effectively to increase productivity.

He said the industries study programme, together with the general downturn and possible developments in the Tasman relationship, created a high degree of uncertainty among manufacturers.

A policy of rapid restructuring — or cutting protection — in the present climate would be "suicidal", Stevens said.

He pointed out that the Australian Government had decided to hold in abeyance further restructuring of industry while unemployment remained high.

"We have not as yet created the right climate for restructuring and development," he said.

"We cannot pursue efficiency at all costs. The human factors must be taken into account. We can only move as fast as management and the work force is capable."

Manufacturers and business generally required cautious management, he said, "particularly with respect to the pace of change imposed by Government."

He said, too, it was nonsense to suggest that only the manufacturing sector needed to be restructured.

"Any approach

Decision soon on AMP's hotel development plans

by Gordon McLauchlan
THE AMP Society is expected to make a decision within a week on the development of the Great Northern Hotel site, near the foot of Queen Street, Auckland, one of the most valuable pieces of real estate in the country.

An announcement on the decision is not likely before the middle of September.

The AMP has owned the prime site for seven years. The only return on its investment

since the Great Northern Hotel was closed in May of last year has come from the retail shops fringing the building in Queen and Customs Streets.

Three types of development are in the final stages of evaluation. They are high-rise retail/office block complexes, low-rise retail development and high-rise retail/hotel complexes.

It is understood that three of the development projects under consideration involve hotel

development.

A few months ago, the insurance company announced it had abandoned a hotel project in which the international Hilton chain was involved. Then came the Budget incentive offer of a tax-free grant of 9.5 per cent of approved construction costs as an alternative to the first-year depreciation allowance.

Opinion within the company is that the grant simply means that a developer will get the

depreciation allowance more quickly, and that the escalation of development costs over the past few months has pretty well wiped out any added incentive from the Budget.

Escalation costs have been put at around 1 per cent a month, a significant rate on a \$30 million hotel project.

But it is known that AMP is now still considering three hotel projects, and that one involving the Hilton group is among them.

A report from Australia that the international Hyatt chain is looking at New Zealand development prompted speculation that the company is involved in one of the Great Northern site proposals. AMP sources say they know nothing of the Hyatt interest but the chain may be involved with one of the New Zealand development operators.

Although escalating capital costs for a hotel project mean higher projected return rates for

a finished hotel, the continuing decline in the company's value of the New Zealand debt would make a tariff more acceptable to foreign tourists.

Concern in Pacific

THE tourism recession in the South Pacific islands has become so serious that a summit is being made to convene a conference at ministerial level in Tahiti later this year.

Fiji, with a 12 per cent drop in visitor numbers last year, the lowest of 29 Pacific island countries, has been hit by the point international airfares there is no relief in sight.

Incentive fares encourage holiday-makers to visit the South Pacific islands on the way to major destinations, whereas Fiji and Tahiti, specially used to earn substantial income from the new three-day stopover tourist, have been hit by the way.

It is understood that New Zealand has not yet committed itself to attend the Tahitian conference and may balk at the part because the tourism problems here are not similar.

Aerolineas negotiations

THE mooted Buenos Aires Auckland service by the Argentinian national carrier, Aerolineas, has stalled on the subject of pick-up rights at Auckland for Hong Kong.

United States and Argentinian publications are carrying articles about a Buenos Aires Auckland-Hong Kong service as though it is a fait accompli.

But New Zealand's controller of air services policy, John Kennedy-Good, says: "We haven't negotiated rights nor have we had any formal request for negotiations... We would be very interested if approached."

When the Aerolineas flight came through Auckland a couple of months ago, Air New Zealand senior executives Geoff Methuen and Miles Stanton boarded the plane and flew to Buenos Aires to talk.

But, Kennedy-Good says: "The airlines haven't got things out yet and it will be some time before the negotiations will become anything more than a formality."

The big problem in New Zealand is that the airlines haven't got things out yet and it will be some time before the negotiations will become anything more than a formality."

PINZ presents principles on behalf of industry

THE public hearing programme that was part of the Industries Development Commission's study of the plastics industry has finished and industry members are satisfied the commission has a wealth of information to evaluate.

The Plastics Institute (PINZ) presented a general principles submission on behalf of the industry to the final hearing.

Its purpose was to bring together the information common to each individual sector of the industry and to make specific requests for them.

PINZ executive director Bruce Dunlop said the information had been collected from individual companies, members of the institute and the Manufacturers Federation.

Dunlop said the term of reference in the inquiry effectively excluded substantial users of plastics materials. The general requirement was to cover goods classified only within the chapter 39 of the customs tariff - artificial resins and plastic materials, cellulose esters and ethers, articles thereof.

In almost every case, Dunlop said, plastics processing companies were involved in producing goods which, in theory, were outside these terms of reference.

The latest available abstract of production statistics indicate that only about 76 per cent of the total plastics industry is subject to the inquiry.

The general principles paper presented by PINZ again outlines the objectives of the plastics industry for the next decade. They included:

- Better packaging and overpackaging for the growing primary and manufacturing industries and their exports, through increased technology and a wide product range;
- Using natural resources productively, particularly the resource available from Maui gas;
- Expanding its own direct exports to 20 per cent of total production;
- Update of plant and technology to remain efficient;
- Maximise the use of manpower, materials and machinery in plastics production;
- Recruit, train, and retain qualified people to ensure the industry's growth.

To achieve these declared objectives PINZ has made a number of recommendations in its general principles paper.

The abolition of the 10 per cent sales tax on production machinery for the plastics industry and the introduction of a stock adjustment allowance are among the major proposals.

PINZ says the current sales tax on machinery is proving a major disincentive to productive investment and is causing the deferment of obsolete plant replacement. PINZ maintains this would eventually wear into the production and cost efficiency of an otherwise efficient industry.

High rates of price inflation

THIS survey on the plastics industry is prepared by David Peach in association with the Plastics Institute of New Zealand.

of fixed assets have led to taxation levies on apparent rather than real profits, directly reducing the ability of companies to maintain their existing operating capacity let alone expand, PINZ says.

In support of a stock adjustment allowance, calculated at half the current rate of movement in the Consumer's Price Index, PINZ says companies within the plastics industry, particularly those involved in exporting, are experiencing a recurrence of the liquidity conditions which led to an earlier temporary introduction of this measure which was discontinued in 1978.

maintains that existing dumping legislation could then be applied. If dumping was not proved, refunds could be given to importers (the current system works in the opposite manner).

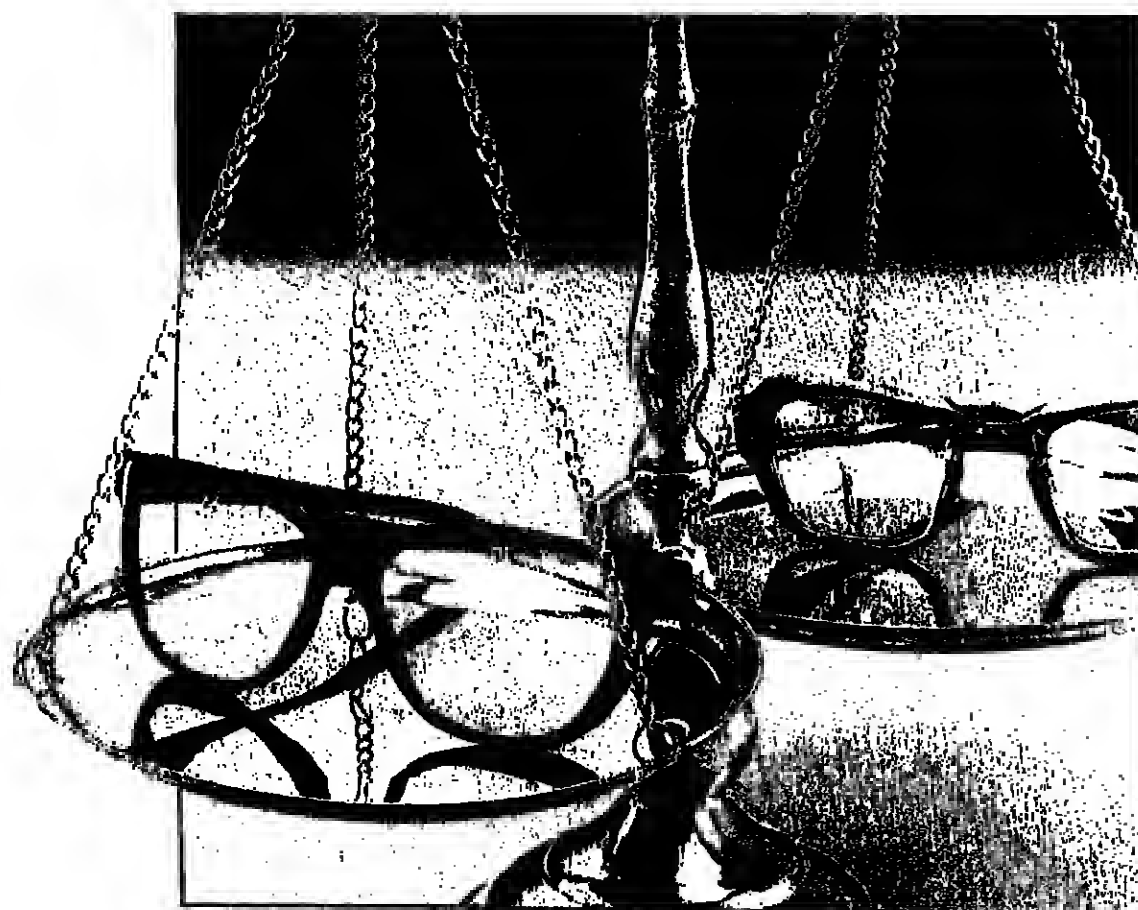
It further recommends that developing country duty preferences be withdrawn against Taiwan and Korea in respect of chapter 39 of the tariff, and any other so-called developing country where it can be shown that that country has a highly developed plastics industry and considerable production advantages over this country's industry.

Dunlop said short production runs, longer down-time

between jobs, the high cost of internal freight and impinging social costs contributed to the local industry's inability to compete on its home market on a volume basis with imports from high volume and often low labour cost countries.

Transport also comes under consideration. PINZ recommends that the Government undertake a full study of the transport industry, both internally and externally, with a view to identifying and eliminating where possible all influences and factors which inhibit the efforts of manufacturers to compete on domestic and export markets.

WEIGH IT UP! all-new Protector Safety lenses make sense!



Protector Safety spectacles are now lighter and more comfortable to wear... and safer!

Protector Safety's all-new NOMARK Safety Lenses are over 70% lighter than "standard" heat-toughened glass lenses. And punishing high-impact tests* show NOMARK lenses to be virtually indestructible.

Made from tough polycarbonate, coated to give almost the same scratch resistance as glass, NOMARK lenses are also resistant to most solvents and chemicals found in industry.

To go with all-new NOMARK lenses, Protector Safety offers a choice of spectacle frames: proven, lightweight style S19 or rugged, universal style S82. Both with well-known Protector durability and comfort.

*Exceed Standard Specifications

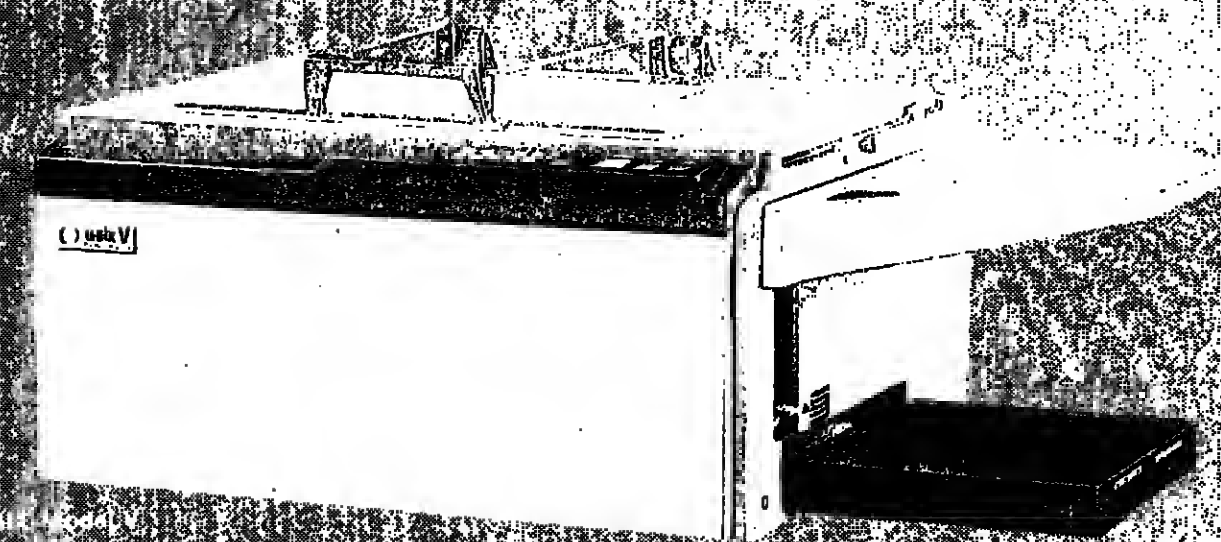
Protector Safety spectacles with Nomark lenses meet all requirements of the Standards Association of Australia and New Zealand. Stringent tests, far exceeding limits set by the Australian Standard Specifications AS1337, show the lenses to be virtually indestructible. Full details of tests and results are available on request.

Protector Safety

229a Armore Road, Tekepuna, Auckland. Telephone 444-3443.

For orders: PROTECTOR SAFETY CENTRES: Whangarei, Auckland, Henderson, Hamilton, Bolinas, New Plymouth, Palmerston North, Hastings, Wellington, Christchurch, Dunedin, Invercargill. And authorized Protector Distributors.

How's your photocopier working today?



Today in New Zealand
& Australia there are
4028 U-Bix Model V
copiers working
productively.

Thousands of companies in Australia and New Zealand are enjoying the service that only a reliable photocopier can give. Are you? As winner of the 1978 Japanese Design Award for office equipment the U-Bix Model V Copier is a truly remarkable machine. Its straight lead paper path and Teflon Selenium Drum supply the reliability and copy quality that you deserve.

*Number of copiers as at 15/7/80

Phone U-Bix Copiers now.

SUPPLY AND SERVICE: U-BIX CO. LTD., WELLINGTON 075 740 666/78. CALL COLLECT. CHRISTCHURCH 076 65 733. CALL COLLECT.

UP TO
17%
on insured 2nd mortgages

UP TO
16%
on insured 1st mortgages
Per annum for 2-3 years
Other terms and yields also
available

For brochure write
P.O. Box 258, Auckland or
Phone 34-419

AM
Allied Mortgage
Guarantee Co. Ltd
Professional Mortgage
Managers & Insurers

Plastics

Polythene package makes a better butter bag

SUCCESSFUL trials of a specially designed plastic butter bag will see the entire export butter shipments to Britain packaged in polythene within the next three years.

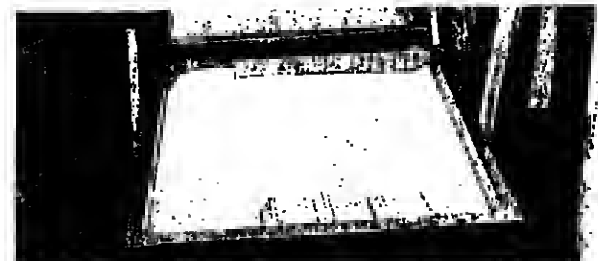
According to a Dairy Board spokesman the design of the butter bag, has been so successful in application trials that after progressive introduction all butter exports to Britain, currently about 90,000 tonnes each year, will be packed this way.

The entire export produc-

tion from the Egmont Co-op Dairy Co Ltd, Pungarehu branch is already packed in the bags.

The bags, designed and manufactured by Trigon Plastics, contain a full 850 kilogram pallet-load of butter and have streamlined packaging and refrigerated freight and handling procedures for better shipments.

According to the Dairy Board the bags have eliminated the need for the traditional butter cartons and are suitable



Butter bag... suitable for containers

for container stowage. The bags protect the butter. Trigon Wellington's general manager, Paul Halford, who

headed the company's research into the project, said the butter bag is a rectangular shape, something quite unique in the

construction of polythene bags.

The bag is designed with four separate base seals. They create a rectangular base. The use of a special plastic resin gives the bag the necessary degree of rigidity.

Butter is extruded directly into the polythene bags, palletized and a "stretch-gard" secures the complete pallet for handling and shipment.

Trigon has produced a special black-coloured "stretch-gard" film for the butter ex-

ports to reduce the undesirable light penetration yellowing cause.

By using the bags, a more larger volume bulk packaging may seem misguided, but there is a current emphasis on value-added exports, but the Dairy Board maintains the fact is that the butter is packed in Britain, that simply does not apply.

After the success of the trial work with the butter bag, Trigon is gearing up to produce them on automated equipment.

Sectors setting export targets advised to follow plastics' lead

ALL manufacturing sectors should follow the lead of the plastics industry and set themselves overall export targets for this decade, according to Ex-

port-Import Corporation general manager Stan Stanworth.

He told the Wellington branch of the Plastics Institute that the industry's goal of lift-

ing its exports by 20 per cent on the \$35 million it achieved last year seemed realistic.

"Our own experience is that there is a demand in many

countries for quality plastic products such as those made by the New Zealand industry," he said.

"We think it's the quality

market that will probably offer most potential as with many other New Zealand-made products, and the short manufacturing runs which of necessity operate will enable us to fit into specific markets that the volume and low-labour-cost countries find uneconomic."

Stanworth said the corporation's trade centres in Sydney, Singapore and Los Angeles frequently identified new export opportunities while their executives were on the spot.

More companies would have

to establish representative key trading areas if the goal of 20 per cent overall increase in exports of manufactured goods was to be achieved by the end of the 1980s, he said.

"New Zealand-owned plastics companies could well, at either jointly or singly, space in trade centres around the world," he said.

"Rentals and costs of a centre members enables companies to have a visible presence in overseas areas they otherwise find too expensive."

The desk-top business partner which never lets you down

The New Zealand Business Who's Who is an invaluable business partner of the silent (but never sleeping) variety. After 21 editions and 41 years The New Zealand Business Who's Who is the most comprehensive business directory in New Zealand and is uniquely valuable as the country's only one-stop business information service.

In the 21st edition there are 600 pages of up-to-date detailed information about 10,500 companies and trading organisations operating in New Zealand. There has been a significant revision of 95 per cent of all entries since the last edition. There are 1,400 new companies listed.

For the 21st edition of The New Zealand Business Who's Who detailed information about 10,500 of New Zealand's leading commercial and industrial companies and organisations was fed into the country's most sophisticated computer file and then channelled into a number of invaluable, cross-referencing indexes.

The Main Section

All listed companies and organisations are set out alphabetically within five main sub-sections: Auckland, Wellington, Christchurch, Invercargill and provincial cities and towns. Each listing is keyed to a number that provides cross-referencing to six other indexes.

The Classified Business Index

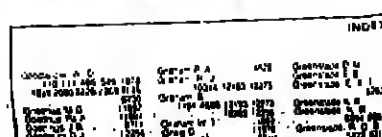
This section contains names, addresses and cross-referencing for all companies in the main index - classified by over 500 different trade leadings.

The Buyers' Guide

In this section three indexes alphabetically group product categories, brand names and agencies and overseas principals and cross-reference back to the main section and other indexes. This section is an excellent reference for manufacturers, importers and wholesalers.

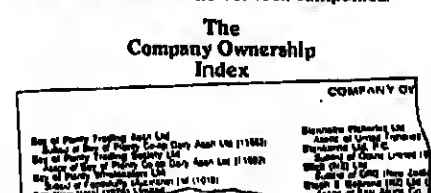


Index of Directors



This section alphabetically lists all directors of public and private companies appearing in the

main section. It is particularly useful for checking multiple interests of individual directors and boardable associations between companies.



This index lists subsidiaries and associated companies and references them back to parent companies in the main section. This index is invaluable for finding references to minor companies which are too small to require a complete listing in the main section but have some importance as subsidiaries or associates of listed companies.

Brand New: A new section, appearing for the first time in the 21st edition, provides up-to-the-minute trade, import and export data about New Zealand's major trading partners around the world.

Tax Deductible: The New Zealand Business Who's Who is tax deductible for companies and many individuals can claim \$20.00 per title for work-related publications.

The New Zealand Business Who's Who is the country's oldest established and most up-to-date business directory... end business partner to thousands of NZ business and professional people.

REMEMBER: THE NEW ZEALAND BUSINESS WHO'S WHO IS TAX DEDUCTIBLE

New Zealand Business Who's Who P.O. Box 9143 WELLINGTON
(Please tick where appropriate)

Please send me/us: ☐ copy/ies of the 21st edition of The New Zealand Business Who's Who at \$35.00 plus \$2.00 postage per copy. Payment is enclosed ☐ Please charge to ☐

Name/Name of Company: _____
Address: _____
Signature and Position: _____
(Authorising executive/holder)

Diners Club Card No. _____
American Express Card No. _____
Visa Card No. _____
Bank Card No. _____

MR R.H. BORLAND
MANAGEMENT RESOURCES LIMITED
Box 11, 237, Manners Street, P.O.
Telephone: 851-889, Wellington

MARKETING MANAGER (DYNAMIC INDUSTRY; DIVERSIFIED PRODUCTS; EXPORTS; AUCKLAND)

This is a new appointment arising from a restructuring to meet the challenges of the 1980's, particularly to be responsible and flexible to market demands. Our client is a major New Zealand Public Company with diversified manufacturing, distribution, import and export functions. This appointment is in one of their key Groups in a dynamic market situation. An extensive product range is involved requiring industrial, consumer and export marketing. The successful applicant will have full responsibility for all aspects of marketing from initial strategic planning through to sales and distribution and including the seeking of new product opportunities to complement existing ranges. The person will manage a team of Product Managers, Sales Managers and Marketing Support staff to achieve profit and sales objectives. There is considerable scope for the person to bring about further restructuring and strongly influence direction and growth. Promotion prospects are excellent. This location is in Auckland City.

REQUIREMENTS:

- Proven successful marketing experience in a progressive marketing led company, with previous specific training in the wide ranging marketing disciplines necessary for this level of senior appointment.
- Capable of analysing a large complex business establishing clear goals and achieving them.
- Demonstrated ability to lead a team of managers.
- A profit and results orientated person.
- Drive, initiative and skill in motivating others.
- Tertiary educational attainment is desirable.
- It is unlikely that those under 30 years would have had adequate experience in the diverse marketing activities required to prepare them for such a senior marketing position.

REWARDS:

- The commanding salary will attract quality applicants.
- Benefits include executive allowances including company car, and superannuation. Details to be discussed at a confidential interview.
- Reasonable relocation expenses.

APPLICATIONS:

Strictly confidential. No approach will be made to past or present employers or to my client without the prior permission of candidate. Please apply by writing stating age, experience, qualifications, other relevant information and telephone numbers, mentioning position R.B. 1882 to:

MR R.H. BORLAND
MANAGEMENT RESOURCES LIMITED
Box 11, 237, Manners Street, P.O.
Telephone: 851-889, Wellington

Plastics

Mussels multiply blow moulded bottle output

WORLDWIDE demand by dairies for mussel extract capsules has provided an unexpected spin-off for an Auckland plastics manufacturer.

"Seatone" capsules are sold in plastic bottles manufactured by Rheem-Pak, a division of Rheem New Zealand Limited.

The demand for the mussel extract has required Rheem-Pak to increase its production capacity six-fold and install a

new injection blow moulding machine.

The bottles are made for McFarlane Laboratories, which make the Seatonone capsules. Exports are said to have reached \$5 million last year. The domestic market makes up 12 per cent of total sales.

When Seatonone first came on to the market it was sold in conventional blow moulded bottles. These did not comply

with the demanding quality packaging standards according to Rheem-Pak manager, Del Johnston, and McFarlane began looking for a new container.

About 12 months ago Rheem-Pak presented its injection blow moulded bottle to McFarlane. The company immediately changed over because of the advantages inherent in the injection blow moulding process, Johnston

said. These features include a clear finish, consistent wall dimensions, and a precise neck and thread area.

The popularity of Seatonone with arthritic sufferers kept one of Rheem-Pak's injection blow moulding machines running full-time on the capsule bottles. To keep up with the increasing demand Rheem-Pak had to expand productive capacity. Earlier this year it

decided to invest in new machinery and tooling.

A Jomar injection blow moulding machine from the United States is currently being installed in the company's Avondale plant. An expert from the Jomar Corporation is helping commission the machine and training Rheem-Pak staff.

The machine incorporates the very latest in injection blow moulding technology and will increase the company's production capacity, Johnston said.

Unlike the company's other two machines the Jomar accommodates up to 12 cavities, depending on the capacity and configuration of the container.

Rheem-Pak will initially be producing four Seatonone bottles at a time on the new machine, leaving blank the remaining cavities. These cavities will be



Del Johnston... production capacity increased

used as McFarlane develops new export markets and demands for the bottles increase.

Rheem-Pak produces containers and closures for the cosmetic, pharmaceutical and food industry by the conventional injection moulding process.

Toolmakers push for professional recognition

A GROUP of Auckland toolmakers has set up an independent toolmakers association to upgrade the status of their number and attract skilled personnel to the industry.

More than 18 Auckland-based companies are represented on the Auckland Independent Toolmaking Association, whose aim - according to president Bill Connolly - is to draw toolmakers from around the country into a national association.

Connolly said his Auckland group will push for greater recognition of toolmaking as a profession and lobby technical institutes and the Education Department to institute a plastics-relevant technical training programme for toolmaking apprentices.

Connolly said the Auckland association had set a series of objectives aimed at creating a greater awareness of the role that toolmakers play in the plastics industry and throughout other manufacturing sectors.

He said the association's prime objective was to upgrade the status of toolmakers. The association has com-

pleted an inter-firm comparison, possible because all toolmakers have very similar problems and requirements, with the assistance of the Department of Trade and Industry's productivity centre.

It has also developed a blueprint for future apprenticeship training and education. It is tackling long-term problems - notably shortages of skilled people - by developing a new programme for incoming personnel in co-operation with the University of Auckland and various technical institutes.

The programme has yet to be accepted by these bodies, Connolly said, but deputations had been well received.

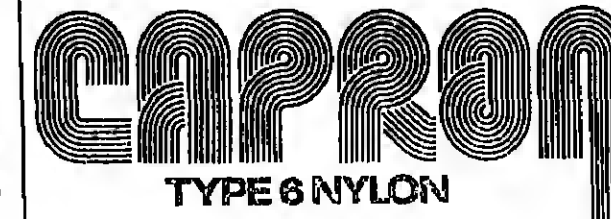
He said talks were continuing with Education Minister Merv Wellington, and the association hoped to have a group of plastics apprentices start a special 18-week toolmakers course and a further specific plastics course early next year.

Connolly said his association has also formed a small direct export group, which with support already offered by the Development Finance Corpor-

ation, the Small Business Agency and the Department of Trade and Industry, will develop new and existing opportunities for toolmakers to export their products.

Connolly said he hoped the

lead taken by the formation of the Auckland association would prompt others in the toolmaking profession to form similar groups to advance the profession, and eventually form a national association.



...the essential ingredient



A name you can trust.

Materials you can trust.

Service you can rely on.

Supply you can bank on.



Allied Chemical
(N.Z.) LTD.

Telephone 771-313, P.O. Box 39-189, Auckland West.